

**New Issue—Full-Book-Entry**

*In the opinion of Hawkins Delafield & Wood LLP as Bond Counsel to the Long Island Power Authority (the “Authority”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Offered Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Offered Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, and the Offered Bonds are exempt from all taxation directly imposed thereon by or under the authority of the State of New York, except estate or gift taxes and taxes on transfers. See “TAX MATTERS” herein.*



**\$502,425,000**  
**LONG ISLAND POWER AUTHORITY**  
**ELECTRIC SYSTEM GENERAL REVENUE BONDS, SERIES 2019**

Consisting of:

**\$218,175,000**  
**LONG ISLAND POWER AUTHORITY**  
**ELECTRIC SYSTEM GENERAL REVENUE**  
**BONDS, SERIES 2019A**

**\$284,250,000**  
**LONG ISLAND POWER AUTHORITY**  
**ELECTRIC SYSTEM GENERAL REVENUE**  
**BONDS, SERIES 2019B**  
**(MANDATORY TENDER BONDS)**

**Dated: Date of Delivery**

**Maturity: As shown on inside cover page**

The Electric System General Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and Electric System General Revenue Bonds, Series 2019B (Mandatory Tender Bonds) (the “Series 2019B Bonds” and together with the Series 2019A Bonds, the “Offered Bonds”), will be issued only as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Offered Bonds under the book-entry-only system described herein. Individual purchases of beneficial ownership interests in the Offered Bonds may be made in the principal amount of \$5,000 or any integral multiple thereof. Beneficial owners of the Offered Bonds will not receive physical delivery of bond certificates. The Bank of New York Mellon, New York, New York, is the Trustee under the Resolution (defined herein).

The Offered Bonds are being issued (i) to fund certain system improvements and (ii) to pay costs relating to the issuance of the Offered Bonds. For a more complete description of the purposes for which the Offered Bonds are being issued, see “PLAN OF FINANCE” herein.

Interest on the Offered Bonds is payable on each March 1 and September 1, beginning March 1, 2020. The Offered Bonds are subject to redemption prior to maturity as and to the extent described herein. The Series 2019B Bonds are being issued as multi-modal Bonds and will initially bear interest at the Term Rate set forth on the inside cover page hereof. The Series 2019B Bonds are subject to mandatory tender for purchase on September 1, 2024 and at the option of the Authority beginning on March 1, 2024, all as described herein. This official statement is not intended to describe the Series 2019B Bonds from and after a Mandatory Purchase Date.

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**MATURITY SCHEDULE — See Inside Cover Page**

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**The Offered Bonds are special obligations of the Authority payable principally from the revenues generated by the electric system owned by its subsidiary, LIPA (defined herein), after the payment of operating expenses of the System, on a parity with other Electric System General Revenue Bonds and other Parity Obligations of the Authority. The Offered Bonds shall not be a debt of the State of New York or of any municipality, and neither the State of New York nor any municipality shall be liable thereon. The Authority shall not have the power to pledge the credit, the revenues or the taxing power of the State of New York or any municipality, and neither the credit, the revenues nor the taxing power of the State of New York or any municipality shall be, or shall be deemed to be, pledged to the payment of any of the Offered Bonds. The Authority has no taxing power.**

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Offered Bonds. Investors are advised to read the entire official statement, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

The Offered Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. Certain legal matters with respect to the Authority and LIPA will be passed upon by Anna Chacko, Esquire, General Counsel to the Authority and LIPA, and by Nixon Peabody LLP, New York, New York, Disclosure Counsel to the Authority and LIPA. Certain legal matters will be passed upon for the Underwriters by Cozen O’Connor, New York, New York, Counsel to the Underwriters. It is expected that the Offered Bonds will be available for delivery in book-entry-only form through The Depository Trust Company in New York, New York on or about September 26, 2019.

**BofA Merrill Lynch**

**Loop Capital Markets**

**Academy Securities**  
**Goldman Sachs & Co. LLC**  
**Raymond James**

**Barclays**  
**J.P. Morgan**  
**RBC Capital Markets**

**Citigroup**  
**Morgan Stanley**  
**Siebert Cisneros Shank & Co., LLC**

**Drexel Hamilton, LLC**  
**Ramirez & Co., Inc.**  
**Wells Fargo Securities**

## Maturity Schedule

### LONG ISLAND POWER AUTHORITY ELECTRIC SYSTEM GENERAL REVENUE BONDS, SERIES 2019A

#### Serial Bonds

<u>Maturity</u> <u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>†</sup></u>
2020	\$ 2,500,000	5.000%	1.130%	542691BX7
2021	2,500,000	5.000	1.160	542691BY5
2022	2,500,000	5.000	1.210	542691BZ2
2023	2,500,000	5.000	1.250	542691CA6
2024	11,495,000	5.000	1.280	542691CB4
2025	12,070,000	5.000	1.340	542691CC2
2026	12,675,000	5.000	1.400	542691CD0
2027	13,310,000	5.000	1.480	542691CE8
2028	13,975,000	5.000	1.560	542691CF5
2029	14,675,000	5.000	1.640 <sup>C</sup>	542691CG3
2030	15,405,000	5.000	1.720 <sup>C</sup>	542691CH1
2031	16,175,000	5.000	1.780 <sup>C</sup>	542691CJ7
2034	17,550,000	4.000	2.180 <sup>C</sup>	542691CK4
2035	18,250,000	4.000	2.220 <sup>C</sup>	542691CL2
2036	18,980,000	3.000	2.580 <sup>C</sup>	542691CM0
2037	19,550,000	4.000	2.300 <sup>C</sup>	542691CN8
2038	20,335,000	4.000	2.340 <sup>C</sup>	542691CP3
2039	3,730,000	4.000	2.380 <sup>C</sup>	542691CQ1

### LONG ISLAND POWER AUTHORITY ELECTRIC SYSTEM GENERAL REVENUE BONDS, SERIES 2019B (MANDATORY TENDER BONDS)

#### Term Bonds

\$284,250,000 1.650% Term Bonds due September 1, 2049 — Price 100% CUSIP<sup>†</sup>542691CR9

<sup>†</sup> CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included solely for the convenience of the holders of the Offered Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to the correctness of the CUSIP numbers on the Offered Bonds or as indicated above.

<sup>C</sup> Priced at the stated yield to the September 1, 2028 optional redemption date at a redemption price of 100%.

**SUMMARY OF TERMS RELATING TO  
SERIES 2019B BONDS<sup>†</sup>**

INTEREST PAYMENT DATES AND CALCULATION PERIOD THROUGH PURCHASE DATE	Each March 1 and September 1, beginning March 1, 2020, calculated based on a 360-day year comprised of twelve 30-day months.
RECORD DATE	The fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.
OWNERS' RIGHTS TO TENDER PRIOR TO PURCHASE DATE	None.
MANDATORY TENDER FOR PURCHASE	<ul style="list-style-type: none"> <li>• The Business Day after the last day of the initial Term Rate. The Purchase Date for the Series 2019B Bonds is September 1, 2024.</li> <li>• At the option of the Authority, on any Business Day which Business Day is no earlier than March 1, 2024 (the "Optional Purchase Date").</li> <li>• The Mode Change Date, which Mode Change Date cannot be prior to the Optional Purchase Date.</li> </ul> <p><b>The Purchase Date, the Optional Purchase Date and the Mode Change Date are each referred to herein as a "Mandatory Purchase Date."</b></p>
RATE UPON FAILURE TO PAY PURCHASE PRICE	<ul style="list-style-type: none"> <li>• For the period of 0-89 days from the Mandatory Purchase Date, 6.00%;</li> <li>• For the period of 90 days from the Mandatory Purchase Date and thereafter, 8.00%; and</li> <li>• In no event will the rate exceed a rate per annum equal to the maximum rate permitted by law (currently, there is no statutory cap under New York State law applicable to the Series 2019B Bonds).</li> </ul>

<sup>†</sup> So long as the Series 2019B Bonds are registered in the name of Cede & Co., as Owner and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

## **LONG ISLAND POWER AUTHORITY**

333 Earle Ovington Blvd.  
Uniondale, New York 11553  
Telephone: (516) 222-7700

### **BOARD OF TRUSTEES**

Ralph V. Suozzi — Chairman

Elkan Abramowitz  
Drew Biondo  
Sheldon L. Cohen  
Matthew C. Cordaro, Ph.D.

Mark Fischl  
Peter J. Gollon  
Thomas J. McAteer  
Ali Mohammed

### **AUTHORITY MANAGEMENT**

Thomas Falcone— *Chief Executive Officer*  
Kenneth Kane— *Interim Chief Financial Officer*  
Anna Chacko— *General Counsel*  
Rick Shansky— *Vice President of Operations Oversight*  
Bobbi O'Connor— *Vice President of Policy, Strategy and Administration, Corporate Secretary*  
Donna Mongiardo— *Vice President, Controller*  
Kathleen Mitterway— *Vice President, Audit*  
Mujib Lodhi— *Chief Information Officer*

#### **Bond Counsel**

Hawkins Delafield & Wood LLP  
New York, New York

#### **Disclosure Counsel**

Nixon Peabody LLP  
New York, New York

#### **Independent Accountants**

KPMG LLP  
Melville, New York

#### **Trustee and Tender Agent**

The Bank of New York Mellon  
New York, New York

#### **Municipal Advisor**

Public Financial Management, Inc.  
New York, New York

No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representation, other than the information and representations contained in this Official Statement, in connection with the offering of the Offered Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Offered Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Except for the information expressly provided by the Underwriters as specified below and under the heading “UNDERWRITING,” the information set forth herein has been furnished by the Authority and LIPA and includes information obtained from other sources, all of which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, LIPA, PSEG, PSEG Long Island, National Grid or KeySpan Corporation since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Authority’s and LIPA’s business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

In connection with the offering of the Offered Bonds, the Underwriters may overallocate or effect transactions that stabilize or maintain the market price of the Offered Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THIS OFFICIAL STATEMENT CONSISTS OF THE COVER PAGE, THE INSIDE COVER PAGE, THE TABLE OF CONTENTS, THE SUMMARY STATEMENT AND THE BODY OF THE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, AND THE INFORMATION INCLUDED BY SPECIFIC CROSS-REFERENCE HEREIN (ALL OF THE FOREGOING ARE REFERRED TO COLLECTIVELY AS “OFFICIAL STATEMENT”). THE OFFICIAL STATEMENT IS DATED THE DATE SHOWN ON THE COVER PAGE HEREIN. THE OFFICIAL STATEMENT (INCLUDING ALL THE INFORMATION INCLUDED BY SPECIFIC CROSS-REFERENCE HEREIN WHICH INFORMATION SPEAKS AS OF THE APPLICABLE DATE THEREOF) SHOULD BE READ IN ITS ENTIRETY.**

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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## SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the Offered Bonds to potential investors is made only by means of the entire Official Statement. Certain terms used herein are defined in this Official Statement.

<b>The Authority</b> .....	The Long Island Power Authority (the “Authority” or the “Issuer”) is a corporate municipal instrumentality and political subdivision of the State of New York. The Authority has a wholly-owned subsidiary, the Long Island Lighting Company, which does business under the name of LIPA and Power Supply Long Island (“LIPA”).
<b>LIPA</b> .....	LIPA owns and operates the electric transmission and distribution system (the “T&D System”) located in its service area, which includes the New York Counties of Nassau and Suffolk (with certain limited exceptions) and a portion of Queens County, New York known as the Rockaways. LIPA also owns an 18% interest in the Nine Mile Point Unit 2 nuclear generating facility located in Oswego, New York (“NMP2”).
<b>The Purpose of the Offered Bonds</b> .....	The Offered Bonds are being issued (i) to fund certain system improvements and (ii) to pay costs relating to the issuance of the Offered Bonds. See “PLAN OF FINANCE” herein.
<b>Outstanding Indebtedness</b> .....	As of the date hereof, the Authority has senior lien Electric System General Revenue Bonds and other senior lien indebtedness outstanding in the aggregate principal amount of approximately \$3.96 billion. The Offered Bonds are on a parity with all of such senior lien indebtedness. As of the date hereof, the Authority has no outstanding subordinate lien indebtedness, except for certain obligations of the Authority to make swap payments as described herein. Also, the Authority currently expects to issue additional bonds to finance system improvements in the future. See “DEBT SERVICE” herein.
<b>System Operation</b> .....	The Authority is managed by a senior management team supported by a small staff. To assist the Authority (acting through LIPA) in providing electric service in the service area, the Authority and LIPA have generally entered into operating agreements, the purpose of which is to provide the Authority and LIPA with the operating personnel and a significant portion of the power supply resources necessary for LIPA to provide electric service in the service area.
<b>The LIPA Reform Act</b> .....	<p>The LIPA Reform Act was enacted on July 29, 2013 (the “LIPA Reform Act”) and is divided into two parts.</p> <p>Part A of the LIPA Reform Act addressed a variety of matters relating to restructuring the Authority and LIPA. It required the transfer of substantial operational duties and obligations to PSEG Long Island and greater operational flexibility for PSEG Long Island to carry out its related duties. The Amended and Restated Operations Services Agreement (“OSA”) with PSEG Long Island reflects the changed relationship between the parties in connection with the provision of electric service in LIPA’s service area. Beginning on</p>

January 1, 2014, PSEG Long Island, became the retail brand for electric service on Long Island. Pursuant to the OSA and in furtherance of the objectives of the LIPA Reform Act, beginning on January 1, 2015, a PSEG Long Island affiliate became responsible for providing energy and fuel management services.

Part A also created a new Long-Island-based office in the Department of Public Service (“DPS”), which is the staff arm of the New York Public Service Commission (“PSC”), to assist with oversight of core utility operations of PSEG Long Island.

Part B of the LIPA Reform Act created the Utility Debt Securitization Authority (“UDSA”) and authorized the issuance of the restructuring bonds to retire a portion of the Authority’s existing debt.

See “INTRODUCTION TO THE AUTHORITY – Restructuring of the Authority and LIPA and Relationship to PSEG Long Island” and “INTRODUCTION TO THE AUTHORITY – The LIPA Reform Act and the OSA” in the ADR (hereinafter defined).

**Authority to Set Electric Rates .....**

Under current New York law, the Authority is empowered to set rates for electric service in its service area without being required to obtain the approval of PSC or any other State regulatory body.

Part A of the LIPA Reform Act established a rate review process that required that on or before February 1, 2015, the Authority and PSEG Long Island submit for review to DPS a three-year rate proposal for rates and charges to take effect on or after January 1, 2016. After the 2016-2018 period, the Authority and PSEG Long Island are only required to submit a proposed rate increase for DPS review if it would increase the rates and charges by an amount that would increase the Authority’s annual revenues by more than 2.5%. The Authority does not expect to submit a rate proposal that would increase the rates in excess of 2.5% of aggregate revenues in 2019 or 2020. The Authority’s Board retains final rate-setting power.

See “RATES AND CHARGES – Authority to Set Electric Rates” in the ADR.

**Current Rate Structure .....**

The Authority has adopted a set of customer rates, which include base rates, the Power Supply Charge (as described herein) and certain riders and credits. See “RATES AND CHARGES – Rate Tariffs and Adjustments” in the ADR.

**Service Area.....**

LIPA’s service area includes approximately 1.1 million customers and since January 1, 2014 experienced its peak usage of approximately 5,474 MW in July 2019. In the year ending December 31, 2018, approximately 56% of LIPA’s annual retail revenues were received from residential customers, 42% from commercial customers and 2% from street lighting, public authorities and certain others. The largest customer in the service area (the Long Island Rail Road) accounts for less than 2% of total sales and less than 2% of revenue.



**Transmission and Distribution**

**Facilities .....**

LIPA’s transmission system includes approximately 1,400 miles of overhead and underground lines with voltage levels ranging from 23 kV to 345 kV. The distribution system has approximately 14,000 circuit miles of overhead and underground line (9,000 overhead and 5,000 underground) and approximately 189,000 line transformers with a total capacity of approximately 13,000 MVA. See “THE SYSTEM” in the ADR for a discussion of the service area and the transmission and distribution system.

**Power Supply Resources.....**

LIPA’s power supply resources consist principally of various power purchase contracts. The principal power purchase contract is a Power Supply Agreement (the “PSA”) that commenced in May 2013 for a maximum term of 15 years. The PSA provides approximately 3,700 MW of on-Island capacity for the term of the agreement with National Grid and provides LIPA with the option to ramp down (i.e., cease purchasing capacity from) the PSA units.

In addition, LIPA currently purchases approximately 1,900 MW of capacity from other generating facilities on Long Island and outside the service area through various transmission interconnections between LIPA’s transmission and distribution system and other systems in the region.

LIPA also has an 18% ownership interest in the approximately 1,300 MW NMP2 nuclear unit. Constellation Energy Nuclear Group, LLC owns the remaining 82% interest in the unit and is responsible for its operation.

**Security and Sources of Payment for Bonds .....**

The Offered Bonds, all Bonds heretofore and hereafter issued on a parity therewith and all Parity Obligations will be payable from and secured by the Trust Estate pledged under the Authority’s Resolution, subject to the prior payment of Operating Expenses. The Trust Estate consists principally of the revenues generated by the operation of LIPA’s electric transmission and distribution system.

The Bond Resolution contains a basic flow of funds, including a Rate Stabilization Fund, but does not require specific periodic advance deposits to be made into, or specific balances maintained in, the various funds and accounts. There is no debt service reserve fund.

Additional Bonds may be issued without any historical or projected debt service coverage test and, in the case of Refunding Bonds, without compliance with any debt service savings test.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in the ADR.

**The Securitization Transactions ....**

Part B of the LIPA Reform Act, also known as the Securitization Law, created UDSA and originally authorized a one-time issuance of the UDSA bonds to retire a portion of the Authority’s existing debt. As amended in 2015, the Securitization Law allowed UDSA to issue additional restructuring bonds in an aggregate amount not to exceed \$4.5 billion (inclusive of the previously-issued 2013

restructuring bonds). UDSA has effectively exhausted its ability to issue restructuring bonds under the amended Securitization Law.

The restructuring charges are Transition Charges for purposes of the Resolution and amounts collected in respect thereof are thus not Revenues subject to the lien of the Resolution or the Subordinated Resolution. In addition, the UDSA bonds are not obligations of the Authority, LIPA, PSEG Long Island or any of their affiliates and are not secured by the Trust Estate described herein. See “RECENT DEVELOPMENTS – The Securitization Authority and Securitization Transactions” in the ADR.

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**OFFICIAL STATEMENT**  
**of the**  
**LONG ISLAND POWER AUTHORITY**  
**Relating to its**  
**\$502,425,000**  
**ELECTRIC SYSTEM GENERAL REVENUE BONDS, SERIES 2019**

**Consisting of:**

**\$218,175,000**  
**LONG ISLAND POWER AUTHORITY**  
**ELECTRIC SYSTEM GENERAL REVENUE**  
**BONDS, SERIES 2019A**

**\$284,250,000**  
**LONG ISLAND POWER AUTHORITY**  
**ELECTRIC SYSTEM GENERAL REVENUE**  
**BONDS, SERIES 2019B**  
**(MANDATORY TENDER BONDS)**

**INTRODUCTION**

The \$218,175,000 Electric System General Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and \$284,250,000 Electric System General Revenue Bonds, Series 2019B (Mandatory Tender Bonds) (the “Series 2019B Bonds”) and together with the Series 2019A Bonds, the “Offered Bonds”), are being issued by Long Island Power Authority (the “Authority”) pursuant to the Long Island Power Authority Act, being Title 1-A of Article 5 (§ 1020 et seq.) of the Public Authorities Law of the State of New York, as amended (the “Act”), and the Electric System General Revenue Bond Resolution of the Authority adopted on May 13, 1998 (the “Bond Resolution”), as amended and supplemented, including as supplemented by a resolution of the Authority authorizing the Offered Bonds (the “Supplemental Resolution”). The Bond Resolution, as supplemented to the date hereof, including as supplemented by the Supplemental Resolution, and as it may be further supplemented or amended in the future, is herein called the “Resolution.”

As of the date hereof, the Authority has outstanding approximately \$3.96 billion of senior lien bonds and other senior lien indebtedness all of which were issued under the Bond Resolution (the “Outstanding Senior Lien Indebtedness”). The Offered Bonds will be on a parity as to security and source of payment with the Outstanding Senior Lien Indebtedness. The Authority has the ability to issue under the Bond Resolution additional senior lien bonds, and other obligations (“Parity Obligations”), that will be on a parity as to security and source of payment with the Outstanding Senior Lien Indebtedness and the Offered Bonds. As used in this Official Statement, the term “Bonds” means the Outstanding Senior Lien Indebtedness, the Offered Bonds and all additional senior lien bonds, notes or other evidence of indebtedness and Parity Obligations of the Authority hereafter issued under the Resolution which are on a parity as to security and source of payment. The Bonds have priority as to security and payment over the Subordinated Indebtedness mentioned in the next paragraph.

The Authority has from time to time also issued Subordinated Lien Bonds and other subordinated indebtedness under the Authority’s Electric System General Subordinated Revenue Bond Resolution adopted on May 20, 1998 (the “General Subordinated Resolution”) and various supplemental resolutions (the General Subordinated Resolution, as so supplemented, is herein called the “Subordinated Resolution”). As used in this Official Statement, the term “Subordinated Indebtedness” means all subordinated lien bonds, notes or other evidence of indebtedness of the Authority issued pursuant to the Subordinated Resolution which are on a parity as to security and source of payment. Any Subordinated Indebtedness is, in all respects, on a junior and subordinate basis as to security and source of payment to the Bonds. As of the date hereof, the Authority has no outstanding subordinate lien indebtedness, except for certain obligations of the Authority to make swap payments as described herein. See “DEBT SERVICE.”

## **INFORMATION INCLUDED BY SPECIFIC CROSS-REFERENCE**

The following documents filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (“MSRB”) by the Authority are included by specific cross-reference in this Official Statement:

- The Authority’s Annual Disclosure Report for the Fiscal Year 2018 (which includes the Authority’s Consolidated Financial Statements December 31, 2018 and 2017 (With Independent Auditors’ Report Thereon) and Management’s Discussion and Analysis (Unaudited)) (the “ADR”);
- Quarterly Unaudited Financial Report of the Authority as of June 30, 2019 and June 30, 2018;
- The Resolution;
- The Financing Agreement;
- The Amended and Restated Operations Services Agreement (the “OSA”); and
- The Amended and Restated Power Supply Agreement (the “PSA”).

For convenience, copies of these documents can be found on the Authority’s website ([www.lipower.org](http://www.lipower.org)) under the heading “Investor Relations” and “About LIPA - Contracts & Reports.” No statement on the Authority’s website is included by specific cross-reference herein.

## **PLAN OF FINANCE**

The proceeds of Offered Bonds will be used (i) to fund certain system improvements and (ii) to pay costs (estimated to be \$2,579,301.52) relating to the issuance of the Offered Bonds, including underwriters’ discount.

## **DEBT SERVICE**

The following table shows information regarding the Authority’s consolidated debt service requirements following the issuance of the Offered Bonds (based on the assumptions in the footnotes to said table). In addition, the table also shows the debt service relating to the UDSA bonds (based on the assumption in footnote 5 to said table). The UDSA bonds are not obligations of the Authority, LIPA, PSEG Long Island or any of their affiliates and are not secured by the Trust Estate described herein. The UDSA bonds are secured by an irrevocable, non-bypassable consumption-based restructuring charges which secures only those bonds. Restructuring charges are not subject to the lien of the Resolution or Subordinated Resolution.

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## DEBT SERVICE

Twelve Months Ended 12/31	Offered Bonds <sup>(1)</sup>		Outstanding Senior Lien <sup>(2)(3)(4)(5)</sup>		Total Senior Lien	UDSA Debt
	Principal	Interest	Principal	Interest	Debt Service	Service <sup>(6)</sup>
2019	\$ -	\$ -	\$ 1,748,883	\$ 14,300,221	\$ 16,049,103	\$ 163,570,075
2020	2,500,000	13,423,380	66,076,458	174,441,502	256,441,340	319,030,117
2021	2,500,000	14,300,125	76,964,641	173,496,306	267,261,072	367,388,228
2022	2,500,000	14,175,125	85,048,452	172,069,996	273,793,573	357,547,589
2023	2,500,000	14,050,125	51,078,523	170,370,470	237,999,117	402,930,167
2024	11,495,000	13,925,125	87,021,733	169,176,041	281,617,899	368,128,725
2025	12,070,000	13,350,375	88,152,169	166,571,384	280,143,928	370,110,100
2026	12,675,000	12,746,875	147,213,608	163,996,255	336,631,737	310,636,975
2027	13,310,000	12,113,125	135,185,137	158,844,759	319,453,021	327,815,725
2028	13,975,000	11,447,625	123,909,755	154,707,190	304,039,570	343,663,350
2029	14,675,000	10,748,875	179,085,237	140,720,449	345,229,561	302,927,875
2030	15,405,000	10,015,125	163,405,000	100,455,217	289,280,342	361,810,750
2031	16,175,000	9,244,875	171,860,000	95,307,987	292,587,862	357,067,000
2032	16,985,000	8,436,125	181,100,000	90,002,212	296,523,337	352,105,750
2033	17,265,000	8,155,873	217,620,000	81,980,788	325,021,660	292,357,125
2034	17,550,000	7,871,000	137,985,000	76,633,900	240,039,900	185,138,000
2035	18,250,000	7,169,000	121,845,000	69,734,650	216,998,650	209,181,625
2036	18,980,000	6,439,000	144,860,000	63,642,400	233,921,400	192,205,500
2037	19,550,000	5,869,600	151,900,000	56,538,600	233,858,200	192,219,750
2038	20,335,000	5,087,600	159,295,000	49,089,800	233,807,400	192,225,750
2039	21,145,000	4,274,200	105,690,000	41,278,550	172,387,750	253,592,625
2040	21,585,000	3,837,653	121,605,000	36,212,300	183,239,953	-
2041	21,940,000	3,481,500	183,220,000	26,974,000	235,615,500	-
2042	22,300,000	3,119,490	135,450,000	20,095,500	180,964,990	-
2043	22,670,000	2,751,540	80,730,000	13,323,000	119,474,540	-
2044	23,045,000	2,377,485	84,765,000	9,286,500	119,473,985	-
2045	23,425,000	1,997,243	41,995,000	5,048,250	72,465,493	-
2046	23,810,000	1,610,730	36,205,000	2,948,500	64,574,230	-
2047	24,200,000	1,217,865	22,765,000	1,138,250	49,321,115	-
2048	24,600,000	818,565	-	-	25,418,565	-
2049	25,010,000	412,665	-	-	25,422,665	-
<b>Total</b>	<b>\$502,425,000</b>	<b>\$224,467,888</b>	<b>\$3,303,779,596</b>	<b>\$2,498,384,975</b>	<b>\$6,529,057,459</b>	<b>\$6,221,652,802</b>

(1) Interest on the Series 2019B Bonds reflects the initial Term Rate through maturity.

(2) Accreted interest on capital appreciation bonds is shown in the year of maturity.

(3) Variable rate bonds are assumed to pay interest at the relevant index as of August 1, 2019 plus the respective applicable spread for certain floating rate notes, which are assumed at current levels through maturity. Expected net receipts or payments under interest rate and basis swaps are not reflected. In particular, not reflected in the table above are anticipated payments under an outstanding \$587,225,000 interest rate swap that terminates in 2029 for which the Authority pays 5.12% and receives 69.47% of 1-Month LIBOR. The obligation of the Authority to make payments under such swap constitutes Subordinated Indebtedness.

(4) Interest has not been reduced on the Series 2010B Bonds to reflect expected receipt of "build America bonds" interest rate cash subsidies equal to 35% of the interest payable; such cash subsidies constitute Revenues under the Resolution.

(5) Does not include the Authority's (a) outstanding senior lien General Revenue Notes, which as of the date hereof, the Authority has approximately \$400 million issued and outstanding under its \$800 million program. Assuming interest at a rate of 2.5% per annum, maintaining this level of outstanding General Revenue Notes would result in approximately an additional \$10.0 million per year of debt service interest, and (b) outstanding Senior Credit Facility that allows for borrowing up to \$200 million, under which \$2 million is outstanding as of the date hereof.

(5) Debt service assumes that the UDSA Bonds are paid in accordance with the applicable Scheduled Maturity Date rather than the applicable legal Final Maturity Date which is 2 years later for each Tranche of the UDSA Bonds. The UDSA Bonds are not obligations of the Authority, LIPA, PSEG Long Island or any of their affiliates and are not secured by the Trust Estate described herein. The UDSA Bonds are secured by irrevocable, non-bypassable consumption-based restructuring charges, which secure only the applicable UDSA bonds. Restructuring charges are not subject to the lien of the Resolution or Subordinated General Resolution.

## DESCRIPTION OF THE OFFERED BONDS

### General

The Offered Bonds will be dated the date of delivery and will mature at the times and in the principal amounts as set forth on the inside cover page of this Official Statement. Interest on the Offered Bonds is payable on each March 1 and September 1, beginning March 1, 2020. The Offered Bonds will be offered in authorized denominations of \$5,000 and integral multiples thereof.

### Securities Depository

Upon initial issuance, the Offered Bonds will be available only in book-entry form. The Depository Trust Company, New York, New York (“DTC”) will act as securities depository for the Offered Bonds, and the ownership of one fully registered bond for each maturity of Offered Bonds in the principal amount of such maturity will be registered in the name of Cede & Co., as nominee for DTC, and deposited with DTC. See Appendix 3 to this Official Statement for a description of DTC and its book-entry-only system that will apply to the Offered Bonds.

As long as the book-entry system is used for the Offered Bonds, The Bank of New York Mellon, New York, New York (the “Trustee”) and the Authority will give any notice required to be given owners of Offered Bonds only to DTC. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS FOR THE DIRECT PARTICIPANT THROUGH WHOSE DTC ACCOUNT THEIR BENEFICIAL OWNERSHIP INTEREST IS RECORDED TO RECEIVE NOTICES THAT MAY BE CONVEYED TO DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS.

### Redemption

#### *Series 2019A Bonds*

*Optional.* The Series 2019A Bonds maturing on or prior to September 1, 2028 are not subject to redemption prior to maturity. The Series 2019A Bonds maturing on or after September 1, 2029 are subject to redemption prior to maturity, at the option of the Authority, on any date on and after September 1, 2028, in whole, or in part at any time and from time to time, at par, plus accrued interest to the redemption date.

#### *Series 2019B Bonds*

*Optional.* The Series 2019B Bonds are subject to optional redemption prior to maturity as a whole or in part (in accordance with procedures of DTC, so long as DTC is the Owner (as defined in the Resolution), and otherwise by lot in such manner as the Trustee in its discretion deems proper), on any Business Day which Business Day is no earlier than March 1, 2024 at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest up to but not including the redemption date.

*Sinking Fund Redemption.* The Series 2019B Bonds shall be subject to redemption in part on the dates and in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the redemption date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on the dates set forth below the principal amount of such respective Series 2019B Bonds specified for each of the years shown in the following table:

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### Sinking Fund Installments

<u>September 1, Year</u>	<u>Principal Amount</u>
2032	\$16,985,000
2033	17,265,000
2039	17,415,000
2040	21,585,000
2041	21,940,000
2042	22,300,000
2043	22,670,000
2044	23,045,000
2045	23,425,000
2046	23,810,000
2047	24,200,000
2048	24,600,000
2049 <sup>†</sup>	25,010,000

<sup>†</sup> Final Maturity

In the event a principal amount of the Series 2019B Bonds is deemed to be no longer Outstanding, except by scheduled sinking fund redemption as described above, such principal amount shall be applied to reduce the remaining Sinking Fund Installments for such Series 2019B Bonds in such order and amounts as is determined by an Authorized Representative of the Authority in a written certificate delivered to the Trustee, which certificate shall be conclusive as to such matters.

*Selection of Bonds for Redemption.* If fewer than all of the Offered Bonds of an entire maturity shall be called for redemption, the particular Offered Bonds or portions of Offered Bonds to be redeemed shall be selected as described below.

During such time as the Offered Bonds are registered in book-entry-only form in the name of Cede & Co. or other nominee of DTC, partial redemptions of the Offered Bonds of a maturity will be determined in accordance with DTC's procedures as from time to time in effect. See "Book-Entry-Only System" in Appendix 3 to this Official Statement.

If less than all of the Offered Bonds of a maturity are to be redeemed, DTC and the Direct Participant and, where appropriate, Indirect Participants will determine the particular beneficial ownership interests of such Offered Bonds of such maturity to be redeemed in accordance with their procedures as from time to time in effect. If the Offered Bonds are not registered in book-entry only form, the particular Offered Bonds to be redeemed will be determined by the Trustee, using such method as it deems fair and appropriate.

#### **Notice of Redemption**

If any of the Offered Bonds are to be redeemed, notice of such redemption is to be mailed by the Trustee to registered owners of such Offered Bonds to be redeemed not less than 30 nor more than 45 days preceding each redemption date. Any notice of optional redemption may provide that such redemption is conditioned on, among other things, the availability of sufficient moneys on the redemption date.

The Trustee, so long as a book-entry-only system is used for determining ownership of the Offered Bonds, shall send the notice to DTC or its nominee, or its successor. Any failure of DTC or a Direct Participant or, where appropriate, Indirect Participants to do so, or to notify a beneficial owner of an Offered Bond of such redemption, will not affect the sufficiency or the validity of the redemption of such Bond. The Authority can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the beneficial owners of the Offered Bonds to be redeemed will distribute such notices to the beneficial owners of such Bonds, or that they will do so on a timely basis. See "Book-Entry-Only System" in Appendix 3 to this Official Statement.

## Tender Provisions for the Series 2019B Bonds

While in the initial Term Mode, the Series 2019B Bonds are subject to tender prior to maturity on such dates and at such prices as are set forth below.

*Mandatory Tender for Purchase at End of each Term Mode Interest Rate Period.* The Series 2019B Bonds are subject to mandatory tender for purchase on the Business Day after the last day of each Interest Rate Period (each a “Purchase Date”) at the Purchase Price (defined below). The initial Purchase Date for the Series 2019B Bonds is September 1, 2024.

*Mandatory Tender for Purchase at the Option of the Authority.* The Series 2019B Bonds are subject to a mandatory tender for purchase at the option of the Authority (each an “Optional Purchase”) at the Purchase Price on any Business Day which Business Day is no earlier than March 1, 2024 (the “Optional Purchase Date”).

*Mandatory Tender for Purchase on any Mode Change Date.* The Series 2019B Bonds are subject to a mandatory tender for purchase on the Mode Change Date at the times and in the manner provided in the Certificate of Determination (which Mode Change Date shall not be prior to March 1, 2024) at the Purchase Price. No change in Mode will become effective unless all conditions precedent thereto have been met. In the event the conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and the Series 2019B Bonds that are the subject of the Mode change:

- will remain subject to mandatory tender for purchase as described below under “ – Consequences of a Failed Remarketing”;
- will continue to be in the Term Mode; and
- will bear interest as described below under “ – Consequences of a Failed Remarketing.”

The Authority may rescind any election by it to change Mode as described above prior to the Mode Change Date by giving written notice thereof to the notice parties prior to 10:00 A.M. on the Business Day preceding such Mode Change Date. If the Tender Agent receives notice of such rescission prior to the time the Tender Agent has given notice to the holders of the Bonds, then such notice of change in Mode shall be of no force and effect. If the Tender Agent receives notice from the Authority of rescission of a Mode Change Date after the Tender Agent has given notice thereof to the holders of the Bonds, then if the proposed Mode Change Date would have been a Mandatory Purchase Date, such date shall continue to be a Mandatory Purchase Date.

*Mandatory Purchase Date and Purchase Price.* The Purchase Date, the Optional Purchase Date and the Mode Change Date are each referred to herein as a “Mandatory Purchase Date.” The Purchase Price to be paid for the Series 2019B Bonds on any Mandatory Purchase Date shall be the principal amount of such Series 2019B Bonds (the “Purchase Price”), and interest on such Series 2019B Bonds shall be paid in accordance with customary procedures.

***While the Series 2019B Bonds are in the Term Mode commencing on the date of issuance, the Purchase Price shall be required to be paid on each Mandatory Purchase Date only to the extent that (a) remarketing proceeds or (b) other amounts made available by the Authority, in its sole discretion, are available for such purchase, as described below.***

### *Notice of Mandatory Tender for Purchase for the Series 2019B Bonds*

The Trustee will, at least fifteen (15) days prior to any Mandatory Purchase Date, give notice to the notice parties of the mandatory tender for purchase of the Series 2019B Bonds that is to occur on that date.

Notice of any mandatory tender of the Series 2019B Bonds will be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of the Series 2019B Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,
- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Series 2019B Bonds, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Each notice of mandatory tender for purchase caused by a change in the Mode applicable to the Series 2019B Bonds will in addition specify the conditions that have to be satisfied pursuant to the Resolution in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have.

Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Series 2019B Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided in the Certificate of Determination would not affect the obligation of the Tender Agent to purchase the Series 2019B Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

*Consequences of a Failed Remarketing*

In the event that remarketing proceeds are insufficient to pay the purchase price of all Outstanding Series 2019B Bonds on the applicable Mandatory Purchase Date, (1) no purchase shall be consummated on such Mandatory Purchase Date and the Tender Agent shall, after any applicable grace period, (a) return all tendered Series 2019B Bonds to the registered owners thereof and (b) return all remarketing proceeds to a remarketing agent to be appointed by the Authority (the “Remarketing Agent”) for return to the persons providing such moneys; and (2) during the period of time from and including the applicable Mandatory Purchase Date to (but not including) the date that all such Series 2019B Bonds are successfully remarketed (the “Delayed Remarketing Period”) the Series 2019B Bonds, will bear interest:

- For the period of 0-89 days from the Mandatory Purchase Date, 6.00%;
- For the period of 90 days from the Mandatory Purchase Date and thereafter, 8.00%; and
- In no event will the rate exceed a rate per annum equal to the maximum rate permitted by law (currently, there is no statutory cap under New York State law applicable to the Series 2019B Bonds).

On each Business Day following the failed remarketing on the applicable Mandatory Purchase Date, the Remarketing Agent shall continue to use its best efforts to remarket the Series 2019B Bonds into the Mode designated by the Trustee, at the direction of the Authority (or such other Mode as the Trustee, at the direction of the Authority, shall thereafter designate to the Remarketing Agent and the prospective owners thereof) or an additional Interest Rate Period in the Term Mode. Once the Remarketing Agent has advised the Trustee that it has a good faith belief that it is able to remarket all of the applicable Series 2019B Bonds, the Trustee, at the direction of the Authority, will give notice by mail to the registered owners of such Series 2019B Bonds not later than five Business Days prior to the Mandatory Purchase Date, which notice will state (1) that the interest rate on such Series 2019B Bonds will continue to be in the Term Mode or will be adjusted to a different Rate Mode on and after the Mandatory Purchase Date; (2) that such Series 2019B Bonds will be subject to mandatory tender for purchase on the Mandatory Purchase Date; (3) the procedures for such mandatory tender; (4) the purchase price of such Series 2019B Bonds on the Mandatory Purchase Date (expressed as a percentage of the principal amount thereof); and (5) the consequences of a failed remarketing.

During the Delayed Remarketing Period, the Trustee may, upon direction of the Authority, apply available amounts to the redemption of the Series 2019B Bonds as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption shall be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on such Series 2019B Bonds shall be paid to the registered owners thereof (i) on the first Business Day of each month occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest shall be made by the Trustee from the Debt Service Fund pursuant to the Resolution.

## TAX MATTERS

### *Opinion of Bond Counsel*

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority (“Bond Counsel”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Offered Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and LIPA in connection with the Offered Bonds, and Bond Counsel has assumed compliance by the Authority and LIPA with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Offered Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Offered Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, and the Offered Bonds are exempt from all taxation directly imposed thereon by or under the authority of the State of New York, except estate or gift taxes and taxes on transfers.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Offered Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Offered Bonds.

### *Certain Ongoing Federal Tax Requirements and Covenants*

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Offered Bonds in order that interest on the Offered Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Offered Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Offered Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority and LIPA have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Offered Bonds from gross income under Section 103 of the Code.

### *Certain Collateral Federal Tax Consequences*

The following is a brief discussion of certain collateral federal income tax matters with respect to the Offered Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of an Offered Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Offered Bonds.

Prospective owners of the Offered Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Offered Bonds

may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

#### *Information Reporting and Backup Withholding*

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Offered Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing an Offered Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Offered Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

#### *Miscellaneous*

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Offered Bonds under federal or state law or otherwise prevent beneficial owners of the Offered Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Offered Bonds.

Prospective purchasers of Offered Bonds should consult their own tax advisors regarding the foregoing matters.

### **UNDERWRITING**

The Underwriters listed on the cover page of this Official Statement, for which BofA Securities, Inc. is acting as the lead book-running manager, have agreed, jointly and severally and subject to certain conditions, to purchase the Offered Bonds from the Authority at an underwriters' discount of \$2,099,801.52, inclusive of expenses.

The initial public offering prices of the Offered Bonds may be changed from time to time by the Underwriters.

The Offered Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Offered Bonds into investment trusts) at prices lower than such public offering prices.

The following paragraphs were provided by the Underwriters of the Offered Bonds.

Certain of the Underwriters have entered into distribution agreements with other broker-dealers for the distribution of the Offered Bonds at the initial public offering prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

### **MUNICIPAL ADVISOR**

Public Financial Management, Inc. is the Authority's municipal advisor including for the Offered Bonds. The municipal advisor has provided the Authority advice on the plan of financing and reviewed the pricing of the Offered Bonds. The municipal advisor has not independently verified the information contained in this Official Statement and does not assume responsibility for the accuracy, completeness or fairness of such information.

### **CONTINUING DISCLOSURE UNDERTAKING**

The Offered Bonds will be subject to the continuing secondary market disclosure requirements of the Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission under the Securities Exchange Act of 1934 and will be made subject to the Continuing Disclosure Certificate, a form of which is attached hereto as Appendix 2 to this Official Statement. Pursuant to the Continuing Disclosure Certificate, the Authority will provide for the benefit of the holders of the Offered Bonds certain financial information and operating data relating to the Authority by the dates specified in the Continuing Disclosure Certificate (the "Annual Report"), and provide notices of the occurrence of certain enumerated events with respect to the Offered Bonds. The Annual Report will be filed by or on behalf of the Authority with EMMA. The notices of such events would be filed by or on behalf of the Authority with EMMA and with the Trustee. The specific nature of the information to be contained in the Annual Report and the notices of events is set forth in the Form of the Continuing Disclosure Certificate which is included in its entirety in Appendix 2. The Offered Bonds being made subject to the Continuing Disclosure Certificate is a condition precedent to the obligation of the Underwriter to purchase the Offered Bonds. The Authority's undertakings in the Continuing Disclosure Certificate are being made in order to assist the Underwriter in complying with the Rule.

### **CREDIT RATINGS**

The Offered Bonds have been assigned ratings of "A" by Fitch, Inc. ("Fitch"), "A2" by Moody's Investors Service ("Moody's") and "A" by S&P Global Ratings ("S&P").

The respective ratings by Fitch, Moody's and S&P of the Offered Bonds reflect only the views of such organizations and any desired explanation of the significance of such ratings and any outlooks or other statements given by the rating agencies with respect thereto should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004; Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and S&P Global Ratings, 55 Water Street, New York, New York 10041. Certain information and materials not included in this Official Statement were furnished to the rating agencies. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that such ratings for the Offered Bonds will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely by any of the rating agencies, if, in the judgment of such rating agency or agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Offered Bonds. The Authority has not undertaken any responsibility after issuance of the Offered Bonds to assure the maintenance of the ratings applicable thereto or to oppose any revision or withdrawal of such ratings.

## **AGREEMENT OF NEW YORK STATE**

In the Act, the State pledges to and agrees with the holders of any obligations issued under the Act and the parties to any contracts with the Authority that the State will not limit or alter the rights vested in the Authority until such obligations together with the interest thereon are fully met and discharged and/or such contracts are fully performed on the part of the Authority, provided that nothing therein contained shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such obligations of the Authority, or those entering into such contracts with the Authority. The Authority, as agent for the State, is authorized to include such pledge and agreement by the State in all agreements with the holders of such obligations and in all such contracts. The Authority has included such pledge in the Resolution.

## **LEGALITY FOR INVESTMENT**

The Act provides that the Offered Bonds will be legal investments for public officers and bodies of the State and all municipalities, insurance companies and associations and other persons carrying on an insurance business, banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, all trusts, estates and guardianships, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the State, or may properly and legally invest funds, including capital in their control or belonging to them. Under the Act, the Offered Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

## **APPROVAL OF LEGAL PROCEEDINGS**

Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority, will render its opinions with respect to the validity of the Offered Bonds in substantially the form set forth in Appendix 1. Certain legal matters with respect to the Authority and LIPA will be passed upon by Anna Chacko, Esquire, General Counsel to the Authority and LIPA, and by Nixon Peabody LLP, New York, New York, Disclosure Counsel to the Authority and LIPA. Certain legal matters will be passed upon for the Underwriters by Cozen O'Connor, New York, New York, Counsel to the Underwriters.

## **LITIGATION**

There is no litigation pending or threatened in any court (either State or federal) to restrain or enjoin the issuance of the Offered Bonds or questioning the creation, organization or existence of the Authority, the title to office of the Trustees or officers of the Authority, the validity or enforceability of the Resolution, Financing Agreement, the pledge of the Trust Estate, the proceedings for the authorization, execution, authentication and offering of the Offered Bonds or the validity of the Offered Bonds.

## **MISCELLANEOUS**

This Official Statement (which includes the ADR) includes, among other things, descriptions of (i) the Authority, LIPA, the System and NMP2 and (ii) the terms of the Offered Bonds, certain operating agreements, the Resolution, the Continuing Disclosure Certificate and certain provisions of the Act, some of which are included herein by specific-cross reference. Such descriptions are not complete and all such descriptions and references thereto are qualified by reference to each such document, copies of which may be obtained from the Authority.

The agreements with the holders of the Offered Bonds are fully set forth in the Bond Resolution, as supplemented by the Supplemental Resolution, which authorizes their issuance. This Official Statement is not to be construed as a contract with the purchasers of the Offered Bonds or of any other obligations of the Authority.

This Official Statement has been executed on behalf of the Authority by its Chief Executive Officer pursuant to the authority of the Trustees.

LONG ISLAND POWER AUTHORITY

By: /s/ Thomas Falcone  
Chief Executive Officer



## APPENDIX 1

### Form of Opinion of Hawkins Delafield & Wood LLP Bond Counsel to the Authority

September \_\_, 2019

Long Island Power Authority  
333 Earle Ovington Blvd.  
Uniondale, NY 11553

Ladies and Gentlemen:

We have examined a certified record of proceedings relating to the issuance of \$218,175,000 Electric System General Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and \$284,250,000 Electric System General Revenue Bonds, Series 2019B (the “Series 2019B Bonds” and, collectively with the Series 2019A Bonds, the “Series 2019A & B Bonds”) of the Long Island Power Authority (the “Authority”), a corporate municipal instrumentality of the State of New York (the “State”) constituting a body corporate and politic and a political subdivision of the State.

The Series 2019A & B Bonds are issued under and pursuant to the Constitution and statutes of the State, including the Long Island Power Authority Act, being Title 1-A of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (herein called the “Act”), and under and pursuant to proceedings of the Authority duly taken, including a resolution adopted by the Trustees of the Authority on May 13, 1998 entitled “Electric System General Revenue Bond Resolution”, as heretofore amended and as supplemented by the Twenty-Eighth Supplemental Electrical System General Revenue Bond Resolution of said Trustees adopted on December 19, 2018 (the “Resolution”).

The Authority has heretofore issued bonds (the “Outstanding Bonds”) and incurred Parity Obligations (as defined in the Resolution) under the Resolution. The Resolution provides that the Authority may issue additional Bonds (as defined in the Resolution), and incur additional Parity Obligations, thereunder from time to time on the terms and conditions and for the purposes stated therein. The Outstanding Bonds, the Series 2019A & B Bonds, the outstanding Parity Obligations and such additional Bonds, if issued, and such additional Parity Obligations, if incurred, will be equally and ratably secured under the Resolution, except as otherwise provided therein.

The Series 2019A & B Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

We are of the opinion that:

1. The Authority is duly created and validly existing under the laws of the State, including the Constitution of the State and the Act. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid with respect to all provisions thereof material to the subject matters of this opinion letter.

2. The Authority has the right and power under the Act to adopt the Resolution and to perform its obligations thereunder, including its rate covenant relating to the establishment and maintenance of System fees, rates, rents, charges and surcharges; provided, however, that the Act directs the Authority to seek the review and recommendation of the New York State Public Service Commission as to certain rate proposals prior to implementation and to implement such recommendations unless the Authority determines, after complying with certain procedural requirements and subject to any applicable judicial review proceeding, that any particular recommendation is inconsistent with the Authority’s sound fiscal operating practices, any existing contractual or operating obligations or the provision of safe and adequate service. Notwithstanding the direction to seek such review and recommendation, the Act permits the Authority to place rates and charges into effect on an interim basis subject to possible prospective rate adjustment. The Authority has

received all approvals of any governmental agency, board or commission necessary for the adoption of the Resolution.

3. The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority, and is enforceable in accordance with its terms. The Resolution creates the valid pledge which it purports to create of the Trust Estate (as defined in the Resolution), subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

4. The Series 2019A & B Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Act, and in accordance with the Resolution, and are valid and binding special obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution. The Authority has no taxing power, the Series 2019A & B Bonds are not debts of the State or of any municipality thereof, and the Series 2019A & B Bonds will not constitute a pledge of the credit, revenues or taxing power of the State or of any municipality thereof. The Authority reserves the right to issue additional Bonds and to incur additional Parity Obligations on the terms and conditions, and for the purposes, provided in the Resolution, on a parity of security and payment with the Series 2019A & B Bonds and the Outstanding Bonds and outstanding Parity Obligations.

5. Any registration with, consent of, or authorization or approval by, any governmental agency, board, or commission that is necessary for the execution and delivery and the issuance of the Series 2019A & B Bonds has been obtained.

6. The adoption of the Resolution, compliance with all of the terms and conditions of the Resolution and the Series 2019A & B Bonds, and the execution and delivery of the Series 2019A & B Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law, or of any approval by any governmental agency, board or commission necessary for the adoption of, or performance of the Authority's obligations under, the Resolution.

7. The Financing Agreement, dated as of May 1, 1998, between the Authority and Long Island Lighting Company d/b/a LIPA (as successor by merger to LIPA Acquisition Corp.) (the "Subsidiary") has been duly authorized, executed and delivered by the Authority and the Subsidiary and is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms.

8. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Series 2019A & B Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2019A & B Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. In rendering the opinions in this paragraph 8, we have relied upon and assumed the material accuracy of certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and the Subsidiary in connection with the Series 2019A & B Bonds, and we have assumed compliance by the Authority and the Subsidiary with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2019A & B Bonds from gross income for federal income tax purposes under Section 103 of the Code. Under the Code, failure to comply with such procedures and covenants may cause the interest on the Series 2019A & B Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2019A & B Bonds, irrespective of the date on which such noncompliance occurs or is ascertained.

9. Under existing statutes, interest on the Series 2019A & B Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, and the Series 2019A & B Bonds are exempt from all taxation directly imposed thereon by or under the authority of the State, except estate or gift taxes and taxes on transfers.

The opinions expressed in paragraphs 2, 3, 4 and 7 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights, and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2019A & B Bonds, or the ownership or disposition thereof, except as stated in paragraph(s) 8 and 9 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2019A & B Bonds.

We express no opinion herein as to the accuracy, adequacy, sufficiency or completeness of any financial or other information that has been or will be supplied to purchasers or prospective purchasers of the Series 2019A & B Bonds.

This letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material or matters of any kind not specifically opined on above. No other opinions are intended nor should they be inferred.

This letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,

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## APPENDIX 2

### Form of Continuing Disclosure Certificate

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Long Island Power Authority (the “Authority”) in connection with the issuance of its Electric System General Revenue Bonds, Series 2019A and Series 2019B (the “Bonds”). The Bonds are being issued pursuant to the Electric System General Revenue Bond Resolution adopted by the Authority on May 13, 1998 as amended and supplemented (the “Resolution”). The Authority covenants and agrees as follows:

SECTION 1. *Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. *Definitions.* In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent,” if any, shall mean the person or firm, or any successor Dissemination Agent designated in writing by the Authority pursuant to Section 7 of this Disclosure Certificate and which has filed with the Authority and the Trustee a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Authority’s final Official Statement relating to the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New York.

“Trustee” shall mean The Bank of New York Mellon, New York, New York and its successors and assigns.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Official Statement.

SECTION 3. *Provision of Annual Reports.* For so long as shall be required by the Rule:

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 6 months after the end of the Authority’s fiscal year (presently December 31), commencing with the report for the 2019 Fiscal Year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Trustee. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial

statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If the Authority is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Authority shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) If a Dissemination Agent is appointed by the Authority, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the MSRB; and

(ii) file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

(d) All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 4. *Content of Annual Reports.* The Authority's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Authority and its subsidiaries for the prior fiscal year, prepared in accordance with U.S. generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Operating results for the prior fiscal year of the type set forth in the Financial Statements of the Authority included by specific cross-reference in the Official Statement.

3. Capital expenditures for the prior fiscal year of the type set forth in the Official Statement under the heading "The System—Capital Improvements" in the Authority's Annual Disclosure Report for the Fiscal Year 2018 (which includes the Authority's Consolidated Financial Statements December 31, 2018 and 2017 (With Independent Auditors' Report Thereon) and Management's Discussion and Analysis (Unaudited)) (the "ADR")

4. Service area loads for the prior fiscal year of the type set forth in the Official Statement under the heading "The System—Loads" in the ADR.

5. A discussion of the Authority's own rates and charges (but not regional comparisons) for the prior fiscal year of the type set forth in the Official Statement under the heading "Rates and Charges" in the ADR.

6. Billings and collections for the prior fiscal year of the type set forth in the ADR under the heading "Billing and Collections."

7. A discussion of operating results, cash flows, uses of cash and capital expenditures of the type set forth in the audited Financial Statements for the years ended December 31, 2018 and 2017 included by specific cross-reference in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including Official Statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. *Reporting of Listed Events.* For so long thereafter as shall be required by the Rule:

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, to the MSRB (with a copy to the Trustee), in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies.
2. non-payment related defaults, if material.
3. modifications to rights of bondholders, if material.
4. optional, contingent or unscheduled bond calls, if material, and tender offers.
5. defeasances.
6. rating changes.
7. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
8. unscheduled draws on the debt service reserves reflecting financial difficulties.
9. unscheduled draws on the credit enhancements reflecting financial difficulties.
10. substitution of the credit or liquidity providers or their failure to perform.
11. release, substitution or sale of property securing repayment of the Bonds, if material.
12. bankruptcy, insolvency, receivership or similar event of the Authority;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority;

13. the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such

an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation (as defined in Rule 15c2-12) of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect holders of the Bonds, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

SECTION 6. *Termination of Reporting Obligation.* The Authority's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 7. *Dissemination Agent.* The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Certificate. Initially, the Authority will serve as its own dissemination agent. Notwithstanding any other provisions hereof, the Authority or the Dissemination Agent may make the filings required by this Disclosure Certificate either directly with the MSRB or through a central information repository approved in accordance with the Rule.

SECTION 8. *Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver either (i) is approved by the Holders (as defined in the Resolution) of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative



form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. *Additional Information.* Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. *Default.* In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 50% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Bonds may (unless the Authority has so complied within 20 days after written notice from the Trustee of its failure to comply) take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default or an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. *Duties, Immunities and Liabilities of Dissemination Agent.* The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's default or negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. *Beneficiaries.* This Disclosure Certificate shall inure solely to the benefit of the Authority, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: September 26, 2019

**LONG ISLAND POWER AUTHORITY**

By: \_\_\_\_\_

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## APPENDIX 3

### Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered bonds in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for the Offered Bonds in the aggregate principal amount of the maturity of such Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s Rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Bonds on DTC’s records. The ownership interest of each actual purchaser of Offered Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Offered Bonds, except in the event that use of the book-entry system for a Series of the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Offered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC’s records reflect only the identity of the Direct DTC Participants to whose accounts such Offered Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Offered Bonds within a maturity of a Series are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (or any other DTC nominee) will consent or vote with respect to Offered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Offered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Offered Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct DTC Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to a Series of the Offered Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Offered Bonds are required to be printed and delivered.

The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Offered Bonds registered in its name for the purposes of payment of the redemption proceeds and principal and interest on the Offered Bonds, giving any notice permitted or required to be given to registered owners under the Subordinated Resolution, registering the transfer of the Offered Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Authority and the Trustee shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Offered Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Authority (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Offered Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Authority; or other action taken by DTC as a registered owner.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Offered Bonds will be printed and delivered to DTC.

Unless otherwise noted, certain of the information contained in the preceding paragraphs of this Appendix has been extracted from information given by DTC. Neither the Authority, the Trustee nor the dealers make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR SUCH PARTICIPANTS, INDIRECT DTC PARTICIPANTS, OR THE BENEFICIAL OWNERS. PAYMENTS MADE TO DTC OR ITS NOMINEE SHALL SATISFY THE AUTHORITY'S OBLIGATION UNDER THE ACT AND THE BOND RESOLUTION TO THE EXTENT OF SUCH PAYMENTS.

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# LIPA

Long Island Power Authority



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