

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 292nd MEETING

HELD ON SEPTEMBER 23, 2020

The Long Island Power Authority (“LIPA”) was convened for the two-hundred-and-ninety-second time at 11:14 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on September 18, 2020, and electronic notice posted on the LIPA’s website.

In compliance with Governor Andrew M. Cuomo’s Executive Order No. 202.1 on COVID-19 safety, the following guidelines were publicly posted and followed:

The Long Island Power Authority is taking steps to minimize the risk of exposure for the public and our employees. As such, LIPA will not be permitting in-person access to its September 23, 2020 Board meeting. Members of the public are encouraged to observe the live stream of the Board meeting posted at the LIPA website. The meeting will also be recorded and posted to LIPA’s website for later viewing

The following LIPA Trustees were present:

Ralph Suozzi, Chairman (via video conferencing)
Mark Fischl, Vice Chairman (via video conferencing)
Matthew Cordaro, Acting Chair (in person)
Elkan Abramowitz (via video conferencing)
Drew Biondo (via video conferencing)
Sheldon Cohen (via video conferencing)
Peter Gollon (via video conferencing)
Laureen Harris (via video conferencing)
Ali Mohammed (via video conferencing)

Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, Chief Administrative Officer & Board Secretary; Rick Shansky, Senior Vice President of Operations Oversight; and Jen Hayen, Director of Communications. Participating via video conferencing were Anna Chacko, General Counsel; Mujib Lodhi,

Chief Information Officer; Tamela Monroe, Chief Financial Officer; Justin Bell, Vice President of Public Policy and Regulatory Affairs; Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board; and Osman Ahmad, IT-Consultant.

Representing PSEG Long Island via video conferencing were Daniel Eichhorn, President and Chief Operating Officer; John O’Connell, Vice President of Power Supply and Transmission and Distribution; Peggy Keane, Vice President of Construction and Operations; Andrea Elder-Howell, Vice President of Legal Services; and Yuri Fishman, Director of Power Resources and Contract Management and Acting Vice President of Power Markets.

Acting Chair Cordaro welcomed everyone to the 292nd meeting of the Long Island Power Authority Board of Trustees.

Acting Chair Cordaro stated that the first item on the agenda was the Consideration of the Consent Agenda Items.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously adopted by the Trustees based on the memoranda summarized below:

1555. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JULY 22, 2020 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on July 22, 2020 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to authorize the issuance of up to \$350,000,000 of Electric System General Revenue

Notes or Bonds (“Medium Term Notes”) for the purpose of providing funding for costs related to Tropical Storm Isaias, other tropical storms or hurricanes, and other storm and non-storm emergencies affecting LIPA’s service area (“Severe Storms”) to bridge the timing between the expenditure of funds and recovery of such costs, and to authorize the refunding of such Medium Term Notes, if necessary.

Plan of Finance

LIPA is considering, to the extent necessary, issuing Medium Term Notes for the purpose of (i) funding costs related to the repair and restoration of damage to the transmission and distribution (“T&D”) system as a result of Severe Storms for a period of time to bridge between the payment of such costs and the recovery of such costs; and (ii) paying any related cost of issuance.

LIPA is seeking reimbursement from the Federal Emergency Management Agency (“FEMA”) for the majority of costs related to Tropical Storm Isaias. LIPA will be making expenditures to pay storm-related costs in advance of recovery of those costs, either from FEMA or from its customers. LIPA maintains bank facilities and a commercial paper program. However, costs associated with Severe Storms may exceed \$350 million, and despite the anticipated recovery of a majority of those costs from FEMA, there could be additional pressure placed on LIPA’s liquidity due to potential delays in recovery of costs from FEMA or from additional Severe Storms. Accordingly, LIPA desires to provide for additional resources to help bridge the timing between making expenditures related to Severe Storms and recovery of those costs. The use of Medium Term Notes would provide LIPA an additional source of liquidity to temporarily provide funding for such costs.

Depending on market conditions and the expected timing of recovery of costs from FEMA or LIPA’s customers, LIPA may determine to issue Medium Term Notes with bond maturities of up to ten years, or to refund Medium Term Notes with other Medium Term Notes issued pursuant to the same Supplemental Resolution.

Authorized Actions

Depending on market conditions, the Medium Term Notes will be issued as either fixed rate or variable rate or a combination thereof and may be issued as federally taxable or tax-exempt. The Medium Term Notes may be sold on a negotiated basis (i) to one or more underwriters for resale to investors, or (ii) directly to one or more investors or financial institutions. The Medium Term Notes may also be sold on a competitive basis to one or more underwriters for resale to investors. Additionally, the Medium Term Notes may be placed with investors by certain financial instructions designated as dealers, pursuant to Dealer Agreements. In each case the sale will be made at such price or prices and on such terms and conditions as LIPA staff shall determine to be the most cost effective and advantageous for LIPA. The Medium Term Notes could be issued in conjunction with such previously authorized, but not yet issued, bonds or be sold separately.

Any underwriter or dealer will be one of the firms approved pursuant to LIPA's most recent procurement for underwriting and investment banking, which firms include BofA Merrill Lynch, Barclays, Citigroup, Goldman Sachs & Co., J.P. Morgan, Loop Capital Markets LLC, Morgan Stanley, RBC Capital Markets, Ramirez & Co. Inc., Siebert Williams Shank & Co. LLC, TD Securities, UBS Financial Services, Inc., and Wells Fargo Securities. The Trustees are requested to permit the Chief Executive Officer, Chief Financial Officer or Vice President Controller of LIPA to designate, as necessary, the underwriters, or remarketing agents, as applicable, assigned to each bond series from the approved list of firms.

Benefits of Medium Term Notes

LIPA's staff believes that the issuance of Bonds or Medium Term Notes to act as bridge financing in anticipation of recovery of a majority of Severe Storm recovery costs will help LIPA to establish and maintain adequate liquidity to assist in the management of seasonal swings in cash flows. LIPA's staff believes that issuance of such Medium Term Notes or Bonds is the most cost effective way of maintaining liquidity.

Recommendation

Based upon the foregoing and the recommendation of the Finance and Audit Committee, I recommend that the Trustees adopt the resolution attached hereto authorizing the issuance of the Notes or Bonds in a principal amount not to exceed \$350,000,000 at any one time outstanding.

1556. AUTHORIZATION RELATING TO THE ISSUANCE OF ELECTRIC SYSTEM GENERAL REVENUE NOTES AND BONDS FOR THE PURPOSES OF FUNDING COSTS RELATED TO TROPICAL STORM ISAIAS AND OTHER STORMS

WHEREAS, on May 13, 1998, Long Island Power Authority (the "Authority") adopted its Electric System General Revenue Bond Resolution (the "General Resolution"), which authorizes bonds, notes or other evidences of indebtedness of the Authority, such bonds to be designated as "Electric System General Revenue Notes" or "Electric System General Revenue Bonds" (the "Bonds"), for, among other purposes, to fund Costs of System Improvements and Operating Expenses (as defined in the General Resolution) related to damage caused by Tropical Storm Isaias, other tropical storms or hurricanes or non-storm emergencies ("Severe Storms"), including, without limitation, reimbursement of moneys theretofore expended by the Authority or the Subsidiary for such costs or refinancing of notes or revolving credit agreement borrowings incurred to finance such costs and other lawful purposes of the Authority and refunding other bonds or notes of the Authority; and

WHEREAS, Article II of the General Resolution requires that the issuance of each series of Bonds by the Authority shall be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance, subject to further delegation to certain officers to establish the details of the terms of such Bonds; and

WHEREAS, the Authority has incurred and expects to incur costs related to the repair and restoration of damage to the Transmission and Distribution System as a result Severe Storms, and other compounding storms affecting the Authority's service area; and

WHEREAS, the Authority expects to recover such costs from FEMA or from other sources, but may advantageously issue Bonds to provide funding for a period of time to bridge between the payment of such costs and the recovery of such costs; and

WHEREAS, the Authority wishes to authorize the issuance of one or more series of Bonds (the "Authorized Bonds") for the purpose of funding Costs of System Improvements (as defined in the General Resolution) related to the repair and restoration of damage to the Transmission and Distribution System as a result of Severe Storms and/or reimbursing such costs already incurred, including refinancing of notes or revolving credit agreement borrowings incurred to finance such costs, which Authorized Bonds shall be in an aggregate principal amount not to exceed \$350,000,000 outstanding at any time; and

WHEREAS, the Authority wishes to issue the Authorized Bonds as either notes or bonds, bearing interest at a fixed rate or variable rate or a combination thereof; and

WHEREAS, in order to achieve such purposes there has been prepared and submitted to the Trustees a form of Thirtieth Supplemental Resolution (the "Thirtieth Supplemental General Resolution"); and

WHEREAS, the General Resolution permits the Authority to enter into Financial Contracts (as defined therein), which include interest rate caps or collars and forward rate, future rate and certain swap agreements with Qualified Counterparties (as defined therein); and

WHEREAS, the Authority has determined that the use of such swap agreements is appropriate in certain circumstances but recognizes that certain risks can arise in connection with their use and the Authority has adopted guidelines (the "Guidelines") for the use of such agreements in order to assure that such agreements are used for appropriate purposes and to assure that the risks potentially associated with such agreements are effectively managed and minimized; and

WHEREAS, under current market conditions the Authority has determined that it may achieve debt service savings by entering into one or more such interest rate swap agreements in an aggregate notional amount of up to \$350,000,000 relating to all or a portion of the Authorized Bonds pursuant to which the Authority and the counterparties thereto would agree to make payments to one another based principally upon certain indices, formulae or methods to be specified therein; and

WHEREAS, the decision as to which specific strategy or strategies to be employed in connection with such new or existing interest rate swap agreements and the indices, formulae or methods to be used in calculating payments to be made to the Authority or the counterparties will be made by the Chief Executive Officer or Chief Financial Officer, taking into account market conditions and the advice of the Authority's Financial Advisor, with the

intention of lowering the effective rate of interest payable in connection with the Authority's indebtedness or mitigating risks associated with such indebtedness consistent with interest rate and other risk considerations;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1. The Thirtieth Supplemental General Resolution, in the form presented to this meeting and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Chief Executive Officer, Chief Financial Officer, Vice President- Controller and Secretary (collectively, the "Authorized Officers") are each hereby authorized to deliver the Thirtieth Supplemental General Resolution to The Bank of New York Mellon, as the Trustee for the Bonds, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by such Authorized Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.**
- 2. The Chief Executive Officer and the Chief Financial Officer are each authorized to sell all Bonds issued on a negotiated basis either (i) to one or more underwriters for resale to investors or (ii) by private placement to one or more investors or financial institutions. The Chief Executive Officer and the Chief Financial Officer are each authorized to sell all Bonds issued on a competitive basis to one or more underwriters for resale to investors. The Chief Executive Officer and the Chief Financial Officer are each authorized to sell all Bonds issued by private placement with investors or financial institutions by certain financial instructions designated as dealers, pursuant to Dealer Agreements. In each case, the sale shall be at such price or prices as determined to be the most cost effective and advantageous for the Authority.**
- 3. Each of the Chief Executive Officer and the Chief Financial Officer is hereby authorized with respect to each series of the Authorized Bonds, to execute and deliver (i) a Bond Purchase Agreement (a "Bond Purchase Agreement") in substantially the form of the bond purchase agreement executed by the Authority in connection with the issuance of the Authority's Electric System General Revenue Bonds, Series 2020, with such modifications thereto as the Chief Executive Officer or Chief Financial Officer, upon the advice of counsel to the Authority, approves, (ii) in connection with any private placement of the Authorized Bonds, a placement continuing covenant or other financing, loan or credit agreement (each a "Placement Agreement") with the purchaser(s) thereof in such form, upon advice of counsel to the Authority, as may be approved by the Chief Executive Officer or Chief Financial Officer, which approval in each case shall be conclusively evidenced by the execution thereof by the Chief Executive Officer or Chief Financial Officer, or (iii) in connection with any competitive sale of the Authorized Bonds, a Notice of Sale or other bidding documents (each a "Bidding Document") with the purchaser(s) thereof in such form, upon advice of counsel to the Authority, as may be approved by the Chief Executive Officer or Chief Financial Officer, which approval in each case shall be conclusively evidenced by the execution thereof by the Chief Executive Officer or Chief Financial Officer.**

- 4. Each of the Chief Executive Officer and the Chief Financial Officer is hereby authorized with respect to each series of the Authorized Bonds, to execute and deliver such Dealer Agreements and Issuing and Paying Agency Agreements as they shall determine necessary, in each case in substantially the form of the agreements executed in connection with the Authority's General Revenue Notes Program, with such modifications thereto as the Chief Executive Officer or Chief Financial Officer, upon the advice of counsel to the Authority, approves.**
- 5. Each of the Chief Executive Officer and the Chief Financial Officer is hereby authorized and directed to execute and deliver any and all documents, including but not limited to the execution and delivery of one or more official statements or other disclosure documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out each Bond Purchase Agreement or Placement Agreement, the issuance, sale and delivery of the Authorized Bonds and for implementing the terms of each Bond Purchase Agreement or Placement Agreement, and the transactions contemplated thereby, the Thirtieth Supplemental General Resolution and this resolution.**
- 6. The Chief Executive Officer and the Chief Financial Officer are, and each of them hereby is, authorized to enter into interest rate swap agreements in an aggregate notional amount of up to \$350,000,000 relating to the Authorized Bonds with such Qualified Counterparties (as defined in the General Resolution) as such officers may select in accordance with the Guidelines, which agreements shall (i) commence on such date or dates as the Chief Executive Officer or Chief Financial Officer specifies, (ii) have a term ending on or prior to the anticipated final maturity of the bonds to which they relate, as the Chief Executive Officer or Chief Financial Officer specifies, (iii) provide for payments to the Authority determined based upon such index, formula or method as may be approved by the Chief Executive Officer or Chief Financial Officer, and (iv) otherwise be in accordance with the Guidelines and substantially in the form of interest rate swap agreements entered into by the Authority in relation to other interest rate swap transactions, with such changes and additions to and omissions from such form as such authorized executing officer deems in his discretion to be necessary or appropriate, such execution to be conclusive evidence of such approval. In connection with the authorizations herein set forth, the Authority has determined, after consideration of the risks inherent in the use of interest rate swap agreements, including those outlined in the memo submitted to the Trustees in connection with the financing authorized hereby and the advice of the Authority's financial advisor relating to the use of the proposed interest rate swap agreements, that (a) the use of such interest rate swap agreements will, in the judgment of the Authority, result in lowering the effective rate of interest payable in connection with the Authority's indebtedness, (b) the risks of the proposed interest rate swap agreements are both manageable and reasonable in relation to the potential benefits; and (c) the proposed interest rate swap agreements are necessary or convenient in the exercise of the power and functions of the Authority under the Act.**

7. The Chief Executive Officer and the Chief Financial Officer are, and each of them hereby is, authorized to enter into reimbursement or other agreements with banks or other financial institutions providing Credit Facilities (as defined in the General Resolution) in connection with the Authorized Bonds, which agreements shall be substantially similar to such agreements previously entered into by the Authority in relation to other Credit Facilities, with such changes and additions to and omissions from such prior agreements as such authorized executing officer deems in his discretion to be necessary or appropriate, such execution to be conclusive evidence of such approval. Such agreements may be entered into with Barclays Bank PLC, Bank of Montreal, Citibank NA, Royal Bank of Canada, State Street Bank and Trust Company, TD Bank NA, US Bank, and/or Wells Fargo Bank, NA.
8. Each of the Chief Executive Officer and the Chief Financial Officer are hereby further authorized and directed to execute and deliver any and all documents and instruments and to do any and all acts necessary or proper for carrying out and implementing the terms of, and the transactions contemplated by this resolution and each of the documents authorized thereby and hereby.
9. This resolution shall take effect immediately.

1557. THIRTIETH SUPPLEMENTAL ELECTRIC SYSTEM GENERAL REVENUE BOND RESOLUTION

BE IT RESOLVED by the Trustees of the Long Island Power Authority as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101. **Supplemental Resolution; Authority.** This resolution ("Supplemental Resolution") is supplemental to, and is adopted in accordance with Articles II and VIII of, a resolution adopted by the Authority on May 13, 1998, entitled "Electric System General Revenue Bond Resolution," as heretofore supplemented ("General Resolution"), and is adopted pursuant to the provisions of the Act.

102. **Definitions** 1. All terms which are defined in Section 101 of the General Resolution (including by cross-reference to Section 101 of the Resolution) shall have the same meanings for purposes of this Supplemental Resolution, unless otherwise defined herein.

2. In this Supplemental Resolution:

"Authorized Denominations" with respect to Bonds of a Series, shall have the meaning set forth in the applicable Certificate of Determination.

"Bonds" or "Bonds of a Series" and words of like import shall mean each or all a Series of Bonds issued pursuant hereto collectively, as the context may require.

“Bond Purchase Agreements” means the Bond Purchase Agreement(s) among or between the Authority and Purchaser or Purchasers for the sale of the Bonds and shall include any placement, continuing covenant, financing, loan or credit agreement entered into in connection with the placement of Bonds with an investor or financial institution.

“Certificate of Determination” shall mean a certificate or certificates of an Authorized Representative of the Authority delivered pursuant to Section 204 of this Supplemental Resolution, setting forth certain terms and provisions of the Bonds of a Series, as such certificate(s) may be amended and supplemented.

“Code” means the Internal Revenue Code of 1986 (Title 26 of the United States Code).

“Commercial Paper Rate” with respect to Bonds of a Series, has the meaning set forth in the applicable Certificate of Determination.

“Commercial Paper Mode” means the mode during which Bonds of a Series bear interest at a Commercial Paper Rate.

“Credit Facility Issuer” means the issuer of any Credit Facility.

“Daily Rate” with respect to Bonds of a Series, has the meaning set forth in the applicable Certificate of Determination.

“Daily Rate Mode” means the mode during which Bonds of a Series bear interest at a Daily Rate.

“Dealer” means any of the dealers appointed pursuant to Section 501 hereof or any additional dealer or any successor entity or entities thereto which may be appointed as a Dealer hereunder by the Authority (all such dealers collectively, the “Dealers”);

“Dealer Agreement” means any dealer agreement authorized by Section 501 hereof, as the same may be amended or supplemented from time to time, or any other dealer agreement which the Authority determines to be in replacement thereof as may be entered into by the Authority from time to time with respect to the Revenue Notes (collectively, the “Dealer Agreements”);

“DTC” shall mean The Depository Trust Company, New York, New York, or its successors.

“Electronic Means” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication.

“Fiduciary” or **“Fiduciaries”** means any Fiduciary (as defined in the General Resolution) and any Tender Agent, or any or all of them, as may be appropriate.

“Fixed Rate” means an interest rate fixed to the maturity date of the Bonds of a Series.

“Fixed Rate Mode” means the period during which Bonds of a Series bear interest at a Fixed Rate.

“Index Mode” means the mode during which Bonds of a Series bear interest at an Index Rate.

“Index Rate” with respect to Bonds of a Series, has the meaning set forth in the applicable Certificate of Determination.

“Interest Period” for a Series of Bonds, shall have the meaning set forth in the applicable Certificate of Determination.

“Liquidity Facility” means any standby bond purchase agreement, letter of credit or similar obligation, arrangement or instrument issued or provided by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Purchase Price (including accrued interest) of the Bonds of any Series that may be obtained by the Authority pursuant to Section 601 hereof.

“Liquidity Facility Issuer” means the issuer of a Liquidity Facility.

“Mandatory Purchase Date” for any Series of Bonds, means any date specified as such in the applicable Certificate of Determination.

“Maturity Date” means, with respect to any Bond, the final date specified therefor in the Certificate of Determination, which shall not be later than thirty-five years after the date of issuance.

“Maximum Rate” means for Bonds of a Series, such rate as may be specified in the applicable Certificate of Determination; provided, however, that in no event shall the Maximum Rate exceed the maximum rate permitted by applicable law.

“Mode” means the Commercial Paper Mode, Daily Rate Mode, Index Mode, Term Rate Mode, the Weekly Rate Mode, the Fixed Rate Mode or any other method of determining the interest rate applicable to Bond of a Series permitted under the applicable Certificate of Determination.

“Mode Change Date” means, with respect to Bonds of a Series, the date one Mode terminates and another Mode begins.

“Purchase Date” for Bonds of a Series shall have the meaning set forth in the applicable Certificate of Determination.

“Purchase Fund” means a fund by that name that may be established by a Certificate of Determination pursuant to Section 403 hereof.

“Purchase Price” means the price at which Bonds subject to optional or mandatory tender for purchase are to be purchased as provided in the Certificate of Determination.

“Purchaser” or “Purchasers” means the underwriter(s) or purchaser(s) for the Bonds of a Series named in the Bond Purchase Agreement for the Bonds of such Series.

“Refunded Obligations” means such portion, if any, of the Authority’s outstanding fixed or variable rate Bonds and Subordinated Bonds as shall be specified in a Certificate of Determination.

“Remarketing Agent” means the remarketing agent at the time serving as such for the Bonds of a Series (or portion thereof) pursuant to Section 503 hereof.

“Remarketing Agreement” means the remarketing agreement entered into by and between the Authority and the Remarketing Agent with respect to the Bonds of a Series (or portion thereof).

“Resolution” means the General Resolution, as amended and supplemented by the Supplemental Resolution.

“Securities Depository” shall mean DTC as the Securities Depository appointed pursuant to Section 203(a) hereof, or any substitute Securities Depository, or any successor to any of them.

“Severe Storms” means Tropical Storm Isaias, other hurricanes or tropical storms, and other compounding storms affecting the East Coast of the United States of America.

“Tender Agent” means the Trustee as tender agent appointed for the Bonds pursuant to Section 504 hereof.

“Term Rate,” with respect to Bonds of a Series (or portion thereof), has the meaning set forth in the applicable Certificate of Determination.

“Term Rate Mode” means the mode during which Bonds of a Series (or portion thereof) bear interest at a Term Rate.

“Weekly Rate” with respect to Bonds of a Series, has the meaning set forth in the applicable Certificate of Determination.

“Weekly Rate Mode” means the mode during which Bonds of a Series bear interest at a Weekly Rate.

ARTICLE II AUTHORIZATION OF BONDS

201. Principal Amount, Designation, Series and Trustee.

(a) Pursuant to the provisions of the General Resolution, one or more separate Series of Bonds entitled to the benefit, protection and security of such provisions are hereby authorized to be issued from time-to-time in a notto- exceed aggregate original principal amount described below and with the following designation: “Electric System General Revenue Bonds, Series 20__ _” or “Electric System General Revenue Notes, Series 20__ _” and with such additional or different designations as may be set forth in the applicable Certificates of Determination, including without limitation the designation of such Bonds as “Notes.”. The aggregate principal amount of each Series of Bonds shall be determined by an Authorized Representative of the Authority, subject to the terms of Section 204 hereof. Each Series shall initially bear interest in accordance with the Interest Rate Mode specified in and as may be provided by the applicable Certificate of Determination.

(b) Bonds issued pursuant to this Supplemental Resolution shall be issued in a nottoexceed aggregate original principal amount of \$350,000,000, provided that to the extent that any

notes are issued pursuant to Section 204(b) of this Supplemental Resolution and are refunded with Bonds or additional notes issued pursuant to this resolution, the principal amount of such bond anticipation notes shall be excluded for purposes of the limit on the aggregate original principal amount of Bonds that may be issued hereunder.

(c) The authorization in this Section 201 to issue additional Bonds is in addition to any previous authorization of Bonds pursuant to any prior Supplemental Resolution, which shall remain in full force and effect. Any Bonds issued pursuant to this Supplemental Resolution bonds may be issued in conjunction with any previously authorized, but not yet issued, Bonds or be issued separately as may be provided in the applicable Certificate of Determination.

202. Purposes. (a) The purposes for which the Bonds of any Series are to be issued shall include such of the following as shall be specified in the applicable Certificate of Determination:

(i) to fund Costs of System Improvements and Operating Expenses related to damage caused by Severe Storms, including, without limitation, reimbursement of moneys theretofore expended by the Authority or the Subsidiary for such costs or refinancing of notes or revolving credit agreement borrowings incurred to finance such costs;

(ii) to pay or to reimburse the Authority or Subsidiary for any amounts due under any Financial Contract entered into in connection with the Bonds;

(iii) to refund Notes or repay any amount drawn under a Credit Facility to pay Notes;

(iv) to pay fees and expenses in conjunction with each of the foregoing and the issuance of the Bonds of a Series, including reimbursement of fees and expenses expended by the Authority in connection therewith.

(v) The proceeds of each Series of Bonds shall be deposited and applied in accordance with the applicable Certificate of Determination.

203. Securities Depository.

(a) Securities Depository. The Bonds of each Series when initially issued shall be registered in the name of Cede & Co., as nominee of DTC, in the form of a single fully registered Bond for each maturity of the Bonds of each Series. DTC is hereby appointed initial Securities Depository for the Bonds, subject to the provisions of subsection (b) of this Section. So long as DTC or its nominee, as Securities Depository, is the registered owner of Bonds, individual purchases of beneficial ownership interests in such Bonds may be made only in book-entry form by or through DTC participants, and purchasers of such beneficial ownership interest in Bonds will not receive physical delivery of bond certificates representing the beneficial ownership interests purchased.

So long as DTC or its nominee, as Securities Depository, is the registered Owner of Bonds, payments of principal, the Purchase Price and the Redemption Price of and interest on such Bonds will be made by wire transfer to DTC or its nominee, or otherwise pursuant to DTC's rules and procedures as may be agreed upon by the Authority, the Trustee and DTC. Transfers of principal, the Redemption Price, and interest payments to DTC participants will be the responsibility of DTC. Transfers of such payments to beneficial owners of Bonds by DTC participants will be the responsibility of such participants, indirect participants and other nominees of such beneficial owners.

So long as DTC or its nominee, as Securities Depository, is the Owner of Bonds, the Authority shall send, or cause the Trustee to send, or take timely action to permit the Trustee to send, to DTC notice of redemption of such Bonds and any other notice required to be given to Owners of Bonds pursuant to the General Resolution, in the manner and at the times prescribed by the General Resolution, or otherwise pursuant to DTC's rules and procedures or as may be agreed upon by the Authority, the Trustee (if applicable) and DTC.

Neither the Authority nor any Fiduciary shall have any responsibility or obligation to the DTC participants, beneficial owners or other nominees of such beneficial owners for (1) sending transaction statements; (2) maintaining, supervising or reviewing, or the accuracy of, any records maintained by DTC or any DTC participant, indirect participant or other nominees of such beneficial owners; (3) payment or the timeliness of payment by DTC to any DTC participant, indirect participant or by any DTC participant, indirect participant or other nominees of beneficial owners to any beneficial owner, of any amount due in respect of the principal or the Redemption Price of or interest on Bonds; (4) delivery or timely delivery by DTC to any DTC participant or indirect participant, or by any DTC participant, indirect participant or other nominees of beneficial owners to any beneficial owners, of any notice (including notice of redemption) or other communication which is required or permitted under the terms of the General Resolution to be given to holders or Owners of Bonds; (5) the selection of the beneficial owners to receive payment in the event of any partial redemption of Bonds; or (6) any action taken by DTC or its nominee as the registered Owner of the Bonds.

Notwithstanding any other provisions of this Supplemental Resolution to the contrary, the Authority, the Trustee and each other Fiduciary shall be entitled to treat and consider the Person in whose name each Bond is registered in the books of registry as the absolute owner of such Bond for the purpose of payment of principal, the Purchase Price, the Redemption Price, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal and the Redemption Price of and interest on the Bonds only to or upon the order of the respective Owners, as shown on the books of registry as provided in this Supplemental Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal and the Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid.

Notwithstanding any other provisions of this Supplemental Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal, the Purchase Price and the Redemption Price of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, pursuant to DTC's rules and procedures.

Payments by the DTC participants to beneficial owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC participant and not of DTC, the Trustee or the Authority, subject to any statutory and regulatory requirements as may be in effect from time to time.

Provisions similar to those contained in this subsection (a) may be made by the Authority in connection with the appointment by the Authority of a substitute Securities Depository, or in the event of a successor to any Securities Depository.

Authorized Officers are hereby authorized to enter into such representations and agreements as they deem necessary and appropriate in furtherance of the provisions of this subsection (a).

(b) **Replacement Bonds.** The Authority shall issue Bond certificates (the “Replacement Bonds”) directly to the beneficial owners of the Bonds, or their nominees, in the event that DTC determines to discontinue providing its services as Securities Depository with respect to such Bonds, at any time by giving notice to the Authority, and the Authority fails to appoint another qualified Securities Depository to replace DTC. In addition, the Authority shall issue Replacement Bonds directly to the beneficial owners of the Bonds, or their nominees, in the event the Authority discontinues use of DTC as Securities Depository at any time upon determination by the Authority, in its sole discretion and without the consent of any other Person, that beneficial owners of the Bonds shall be able to obtain certificated Bonds.

(c) **Notices.** In connection with any notice of redemption provided in accordance with Article VI of the General Resolution, notice of such redemption shall also be sent by the Trustee by first class mail, overnight delivery service or other secure overnight means, postage prepaid, to any Rating Agency; to the Securities Depository which are known to the Trustee to be holding Bonds, to any Liquidity Facility Issuer with respect to such Bonds, and to at least two (2) of the national Information Services that disseminate securities redemption notices, in each case not later than the mailing of notice required by the General Resolution.

204. Delegation of Authority. There is hereby delegated to each Authorized Representative of the Authority, subject to the limitations contained herein, the power with respect to the Bonds of each Series to determine and effectuate the following:

(a) the principal amount of the Bonds of each Series to be issued, provided that the aggregate original principal amount of Bonds of all Series shall not exceed limit set forth in Section 201(b);

(b) whether to issue Bonds as Notes and the maturities, interest rates, tender and redemption provisions, if any, and other terms of such Notes;

(c) the dated date or dates, maturity date or dates and principal amount of each maturity of the Bonds of such Series, the first and subsequent interest payment date or dates of the Bonds of such Series, and the date or dates from which the Bonds of such Series shall bear interest, provided that provided that the maturity of any Bond shall not be less than 180 days or more than ten years from the date of its issue, and provided further that if any Notes issued under this Supplemental Resolution are refunded by further Notes or Bonds issued under this Supplemental Resolution, such refunding Notes or Bonds shall have a final maturity of no later than fifteen years from the date the refunded Notes were originally issued;

(d) the methods of determining the interest rate applicable to the Bonds of such Series which may include Commercial Paper Rates, Daily Rates, Index Rates, Term Rates, Fixed Rates, Weekly Rates or other methods of determining the interest rate applicable to such Bonds and the initial interest rate or rates of the Bonds of such Series, provided that the initial interest rate or rates applicable to the Bonds of a Series at the date of their issuance shall not exceed six percent (6%) per annum;

(e) the amounts of the proceeds of the Bonds of each Series to be deposited and applied in accordance with Section 202 hereof;

(f) the redemption provisions, if any, of the Bonds;

(g) the tender provisions, if any, of the Bonds;

(h) the definitive form or forms of the Bonds and the definitive form or forms of the Trustee's certificate of authentication thereon;

(i) the specification, from time to time, of a new Maximum Rate, in accordance with the definition thereof;

(j) provisions that are deemed advisable by such Authorized Representative in connection with a change in the Mode applicable to the Bonds of a Series;

(k) obtaining any Credit Facility or Liquidity Facility related to the Bonds of a Series or any portion thereof, and complying with any commitment therefor including executing and delivering any related agreement with any Credit Facility Issuer or Liquidity Facility Issuer, to the extent that such Authorized Representative determines that to do so would be in the best interest of the Authority;

(l) whether the interest on the Bonds will be included in gross income for Federal income tax purposes;

(m) such additional terms relating to the transfer, execution, and authentication of the Bonds designated as Notes and the custody of the Master Note not inconsistent with the provisions hereof or of the General Resolution as are deemed advisable and necessary by the Authorized Representative; and

(n) any other provisions deemed advisable by such Authorized Representative, not in conflict with the provisions hereof or of the General Resolution.

Such Authorized Representative shall execute one or more certificates or Issuance Requests, as applicable, evidencing determinations or other actions taken pursuant to the authority granted herein, an executed copy of which shall be delivered to the Trustee. Each such certificate shall be deemed a Certificate of Determination and shall be conclusive evidence of the action or determination of such officer as to the matters stated therein. The provisions of each Certificate of Determination shall be deemed to be incorporated in Article II hereof. No such Certificate of Determination, nor any amendment to this Supplemental Resolution, shall change or modify any of the rights or obligations of any Credit Facility Issuer or any Liquidity Facility Issuer without its written assent thereto.

205. Form of Bonds and Trustee's Authentication Certificate. Subject to the provisions of the General Resolution and this Supplemental Resolution, the form of the Bonds of each Series, form of assignment, and the Trustee's Certificate of Authentication shall be in substantially the form set forth in the applicable Certificate of Determination. Any portion of the text of any Bond of a Series may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Bond. Bonds of any Series may be typewritten, printed, engraved, lithographed or otherwise reproduced and may incorporate such legends and other additional text as may be customary, including but not limited to any legend to reflect delivery of the Bonds of any Series to a Securities Depository.

206. Denominations; Medium, Method and Place of Payment of Principal and Interest; Dating.

(a) The Bonds of each Series shall be issued in the form of fully registered bonds in Authorized Denominations and shall be numbered, lettered and dated as prescribed in the applicable Certificate of Determination. The principal of and premium, if any, and interest on the Bonds of each Series shall be payable in lawful money of the United States of America as provided in the applicable Certificate of Determination.

(b) Interest on Bonds of a Series shall be calculated as provided in the applicable Certificate of Determination. The interest rates for Bonds of a Series contained in the records of the Trustee shall be conclusive and binding, absent manifest error, upon the Authority, the Remarketing Agent, the Tender Agent, the Trustee, the Liquidity Facility Issuer, the Credit Facility Issuer and the Owners.

(c) No Bond of a Series may bear interest at an interest rate higher than the Maximum Rate.

207. Determination of Interest Rate(s); Purchase Price. The interest rate applicable during any Rate Period (other than a Fixed Rate determined on or prior to the date of issuance of the related Bonds) shall be determined in accordance with the applicable Certificate of Determination. Except as otherwise provided in the applicable Certificate of Determination, any such rate shall be the minimum rate that, in the sole judgment of the Remarketing Agent, would result in a sale of the Bonds of the Series at a price equal to the principal amount thereof on the date on which the interest rate on such Bonds is required to be determined in accordance with the applicable Certificate of Determination, taking into consideration the duration of the Interest Period, which shall be established by the Authority.

**ARTICLE III
SALE OF EACH SERIES; CERTAIN FINDINGS; DETERMINATIONS AND
AUTHORIZATIONS; AMENDMENTS TO GENERAL RESOLUTION**

301. Sale of the Bonds.

(a) The Bonds of each Series may be sold to the Purchasers therefor named in the respective Bond Purchase Agreement and approved by an Authorized Representative of the Authority, upon the terms and conditions set forth in the Bond Purchase Agreement at an aggregate purchase price (excluding accrued interest) of not less than ninety-five percent (95%) of the aggregate principal amount of such Bonds to be sold. The Purchaser or Purchasers of the Bonds of each Series shall be approved by the Chief Executive Officer and shall be one or more of the financial institutions approved by the Authority to act as underwriters of the Authority's bonds.

(b) The Authority hereby authorizes one or more Bond Purchase Agreements with respect to the Bonds, which in the case of any series of Bonds being sold to a purchaser for resale to the public, shall be in substantially the form of the bond purchase agreements executed by the Authority in connection with the issuance of the Authority's Electric System General Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), with such modifications thereto as any Authorized Representative of the Authority, upon the advice of counsel to the Authority, approves, but subject to subsection (a) above. In the case of a placement of Bonds with one or more investors or financial

institutions, the Bond Purchase Agreement shall be in such form as any Authorized Representative of the Authority, upon the advice of counsel to the Authority, approves, but subject to subsection (a) above. Any Authorized Representative of the Authority is hereby authorized to execute and deliver such Bond Purchase Agreements, which execution and delivery shall be conclusive evidence of the approval of any such modifications. Any Bond Purchase Agreement or placement agreement may provide for the sale of the Bonds on a forward delivery basis.

(c) The Bonds of each Series may also be sold to the Purchasers therefor pursuant to a competitive sale, upon the terms and conditions set forth in a Notice of Sale at an aggregate purchase price (excluding accrued interest) of not less than ninety-five percent (95%) of the aggregate principal amount of such Bonds to be sold.

(d) The Bonds of each series designated as Notes may be sold to the Purchasers thereof by Dealers, pursuant to the terms of Dealer Agreements.

(i) Such Notes shall be issued by the Issuing and Paying Agent in accordance with Issuance Requests, which shall set forth the terms thereof.

(ii) Prior to the issuance by the Issuing and Paying Agent of any Note pursuant to this Section 301(d), an Authorized Representative shall instruct the Issuing and Paying Agent or, in the case of book-entry Notes, instruct the Issuing and Paying Agent to deliver appropriate issuance instructions to the Securities Depository, or in each case shall acknowledge or confirm the same (whether an instruction, acknowledgment or confirmation, herein referred to as an "Issuance Request"). Each Issuance Request shall contain information with respect to, and approve on behalf of the Authority: (A) the aggregate principal amount of Notes then to be issued for each series; (B) the rate or rates of interest, if any, on such Notes; (C) the issue date or dates and maturity date or dates of such Notes; (D) the Mandatory Tender Date, if any, for such Notes; (E) in the case of book-entry Notes, each Securities Depository direct participant to which such book-entry Note is to be credited on the books of the Securities Depository, and the principal amount (which shall be in authorized denomination) of Notes to be credited to each such participant, unless such information is furnished to the Issuing and Paying Agent by the appropriate Dealer, and (F) such other matters, if any, as are required by a Certificate of Determination. Instructions and confirmations shall be given and/or confirmed by an Authorized Representative as provided in the Issuing and Paying Agency Agreement. Such directions may be given only by written instruction to the Issuing and Paying Agent, either in hard copy or via Electronic Means, in accordance with the terms of the Issuing and Paying Agency Agreement.

302. Preliminary and Final Official Statements. The Authority hereby authorizes one or more preliminary and final official statements substantially in the form of the Official Statements, delivered with respect to the Authority's Series 2020 Bonds, with such modifications thereto as any Authorized Representative of the Authority, upon the advice of counsel to the Authority, approves, including, without limitation, modifications to reflect matters reflected in continuing disclosure filings made with the Municipal Securities Rulemaking Board subsequent to the date of such Official Statement.

Any Authorized Representative of the Authority is hereby authorized to deliver such preliminary official statements to the Purchasers for delivery to prospective purchasers of the Bonds and to execute copies of such final official statement and deliver the same to the Purchasers or Remarketing Agents, as the case may be, in connection with the original issuance of the Bonds of any Series or the remarketing thereof, which execution and delivery shall be conclusive evidence of the approvals of such preliminary and final official statements. The Authority hereby authorizes the use of such

preliminary and final official statements and the information contained therein in connection with the public offering and sale of the Bonds of each Series by the Purchasers.

303. Continuing Disclosure. The Authority hereby approves the Continuing Disclosure Certificate substantially in the form delivered in connection with the Series 2020 Bonds, and authorizes any Authorized Representative to execute and deliver the same, or any similar undertaking, whether in the form of an agreement with the Trustee or any other instrument, to provide secondary market disclosure in order to permit the Purchasers of the Bonds of any Series to comply with Rule 15c2-12 of the Securities and Exchange Commission, with such modifications as any Authorized Representative, upon the advice of counsel to the Authority, approves, which execution and delivery shall be conclusive evidence of the approval of such modifications. The Authority covenants with the Owners from time to time of the Bonds of each Series for which a Continuing Disclosure Certificate is delivered that it will, and hereby authorizes the appropriate officers and employees of the Authority to take all action necessary or appropriate to, comply with and carry out all of the provisions of such undertaking as amended from time to time. Notwithstanding any other provision of the Resolution, failure of the Authority to perform in accordance with such continuing disclosure undertaking shall not constitute a default or an Event of Default under the Resolution and shall not result in any acceleration of payment of the Bonds of any Series, and the rights and remedies provided by the Resolution upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but such undertaking may be enforced only as provided therein.

304. Remarketing Agreements and Tender Agency Agreements. The Authority hereby authorizes one or more Remarketing Agreements and Tender Agency Agreements with respect to the Bonds of any Series in substantially the form of the remarketing agreements and the tender agency agreements entered into by the Authority in connection with prior series of Bonds, with such modifications and with such Remarketing Agents and such Tender Agents as any Authorized Representative, upon the advice of counsel to the Authority, approves. Any Authorized Representative of the Authority is hereby authorized to execute and deliver such Remarketing Agreements and such Tender Agency Agreements in connection with the original issuance of the Bonds of any Series or remarketing thereof, which execution and delivery shall be conclusive evidence of the approval of any such modifications.

305. Further Authority. All Authorized Representatives of the Authority are and each of them is hereby authorized and directed to execute and deliver any and all agreements, documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out this Supplemental Resolution and each agreement authorized hereby, the issuance, sale and delivery and remarketing of the Bonds of any Series and for implementing the terms of each such agreement and the transactions contemplated thereby and by this Supplemental Resolution.

306. Certain Findings and Determinations. The Authority hereby finds and determines:

(a) The General Resolution has not been amended, supplemented, or repealed since the adoption thereof except by the resolution of the Authority entitled “First Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 1998A” adopted May 13, 1998, by the resolution of the Authority entitled “Second Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 1998B” adopted October 20, 1998, by the resolution of the Authority entitled “Third Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2000A” adopted February 29, 2000, by the resolution of the Authority entitled “Fourth Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2001A” adopted March 1, 2001, by the resolution of the Authority entitled “Fifth Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2001B through 2001P”

adopted May 1, 2001, by the resolution of the Authority entitled “Sixth Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2003A” adopted February 27, 2003, as amended March 27, 2003, by the resolution of the Authority entitled “Seventh Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted March 27, 2003, by the resolution of the Authority entitled “Eighth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted May 26, 2004, by the resolution of the Authority entitled “Ninth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted March 24, 2005, by the resolution of the Authority entitled “Tenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted April 27, 2006, by the resolution of the Authority entitled “Eleventh Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted October 18, 2006, by the resolution of the Authority entitled “Twelfth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted February 26, 2008, and by the resolution of the Authority entitled “Thirteenth Supplemental Resolution authorizing Additional Interest Rate Modes and Modifications to the Operational Provisions and Characteristics of Existing Interest Rate Modes of Outstanding Electric System General Revenue Bonds” adopted February 26, 2008 and by the resolution of the Authority entitled “Fourteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted October 23, 2008, by the resolution of the Authority entitled “Fifteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted April 23, 2009, by the resolution of the Authority entitled “Sixteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 17, 2009, and by the resolution of the Authority entitled “Seventeenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted September 27, 2010, by the resolution of the Authority entitled “Eighteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 15, 2011, by the resolutions of the Authority entitled “Nineteenth Supplemental Resolution authorizing Electric System General Revenue Bonds,” “Twentieth Supplemental Resolution authorizing Electric System General Revenue Bonds” and “Twenty-First Supplemental Resolution authorizing Electric System General Revenue Bonds,” each adopted December 13, 2012, by the resolutions of the Authority entitled “Twenty-Second Supplemental Resolution authorizing Electric System General Revenue Bonds” and “Twenty-Third Supplemental Resolution authorizing Electric System General Revenue Bonds,” each adopted August 6, 2014, by the resolution of the Authority entitled “Twenty-Fourth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 16, 2015, by the resolution of the Authority entitled “Twenty-Fifth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted March 21, 2016, and by the resolution of the Authority entitled “Twenty-Sixth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 19, 2016, by the resolution of the Authority entitled “Twenty-Seventh Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 19, 2017, by the resolution of the Authority entitled “Twenty-Eighth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 19, 2018, and by the resolution of the Authority entitled “Twenty-Ninth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 18, 2019, as amended May 20, 2020, and the certificates of determination delivered pursuant to all such resolutions. This Supplemental Resolution supplements the General Resolution, constitutes and is a “Supplemental Resolution” within the meaning of such quoted term as defined and used in the General Resolution, and is adopted under and pursuant to the General Resolution.

(b) The Bonds of each Series constitute and are “Bonds” within the meaning of the quoted word as defined and used in the General Resolution.

(c) The Trust Estate is not encumbered by any lien or charge thereon or pledge thereof which is prior to or of equal rank with the lien and charge thereon and pledge thereof created by the General Resolution.

(d) There does not exist an “Event of Default” within the meaning of such quoted term as defined in Section 1001 of the General Resolution, nor does there exist any condition which, after the giving of notice or the passage of time, or both, would constitute such an “Event of Default.”

307. Amendment to the General Resolution.

(a) Amendment. Pursuant to the resolution of the Board of Trustees of the Authority, dated July 22, 2020, the general Resolution shall be amended and restated as set forth in such resolution, subject to the consent or deemed consent of not less than a majority of the holders of Bonds and certain other conditions.

(b) Deemed Consents. Pursuant to Section 903 of the General Resolution, the original purchasers and Holders of the Bonds of each Series issued pursuant to this Supplemental Resolution, by their purchase and acceptance thereof, thereby (i) consent, and shall be deemed to have consented to, the amendments made by or pursuant to the resolution of the Board of Trustees of the Authority, dated July 22, 2020, and (ii) waive, and shall be deemed to have waived, any and all other formal notices, implementation or timing requirements that may otherwise be required under the Resolution, which consents shall be effective and binding unless and until revoked pursuant to and to the extent permitted by said Section 903 of the General Resolution.

**ARTICLE IV
REDEMPTION AND PURCHASE OF BONDS**

401. Optional and Sinking Fund Redemption. Bonds of a Series shall be subject to optional and mandatory redemption as and to the extent and at the times and subject to such conditions, if any, as shall be specified in the applicable Certificate of Determination.

402. Optional and Mandatory Purchase of Bonds. The Bonds of a Series shall be subject to optional and mandatory tender for purchase to the extent, at the times and subject to such conditions as shall be set forth in the applicable Certificate of Determination.

403. Purchase Fund. A Purchase Fund may be established in a Certificate of Determination in connection with the delivery to the Trustee of a Liquidity Facility, which fund, if established, shall be held by the Tender Agent and may have such separate accounts as shall be established in such Certificate of Determination. Such Purchase Fund and accounts therein may be established for the purpose of depositing moneys obtained from (i) the remarketing of Bonds of a Series which is subject to tender for purchase in accordance with the applicable Certificate of Determination, (ii) draws under a Liquidity Facility and (iii) the Authority. Such deposited moneys shall be used solely to pay the Purchase Price of Bonds of such Series or to reimburse a Liquidity Facility Issuer.

404. Remarketing of Bonds of a Series; Notices. The Remarketing Agent for Bonds of a Series shall offer for sale and use its best efforts to find purchasers for all Bonds of such Series required to be tendered for purchase. The applicable Certificate of Determination shall prescribe provisions relating to the notices which shall be furnished by the Remarketing Agent in connection with such remarketing and as to the application of the proceeds of such remarketing.

405. Source of Funds for Purchase of Bonds of a Series.

(a) Except as may otherwise be provided in the applicable Certificate of Determination, the Purchase Price of the Bonds of a Series on any Purchase Date shall be payable solely from proceeds of remarketing of such Series or proceeds of a related Liquidity Facility (including moneys that are borrowed by the Authority pursuant to a Liquidity Facility), if any, and shall not be payable by the Authority from any other source.

(b) As may be more particularly set forth in the applicable Certificate of Determination, on or before the close of business on the Purchase Date or the Mandatory Purchase Date with respect to Bonds of a Series, the Tender Agent shall purchase such Bonds from the Owners at the Purchase Price. Except as otherwise provided in a Certificate of Determination, funds for the payment of such Purchase Price shall be derived in the order of priority indicated:

(i) immediately available funds transferred by the Remarketing Agent to the Tender Agent derived from the remarketing of the Bonds; and

(ii) immediately available funds transferred by the Liquidity Facility Issuer (or the Authority to the Tender Agent, if the Liquidity Facility permits the Authority to make draws thereon), including, without limitation, amounts available under the Liquidity Facility.

406. Delivery of Bonds. Except as otherwise required or permitted by the book-entry only system of the Securities Depository and in the applicable Certificate of Determination, the Bonds of a Series sold by the Remarketing Agent shall be delivered by the Remarketing Agent to the purchasers of those Bonds at the times and dates prescribed by the applicable Certificate of Determination. The Bonds of a Series purchased with moneys provided by the Authority shall be delivered at the direction of the Authority. The Bonds of a Series purchased with moneys drawn under a Liquidity Facility shall be delivered as provided in such Liquidity Facility.

407. Delivery and Payment for Purchased Bonds of a Series; Undelivered Bonds. Each Certificate of Determination shall provide for the payment of the Purchase Price of Purchased Bonds of the related Series and for the sources of such payment and shall also make provision for undelivered Bonds.

408. Credit Facility and Liquidity Facility.

(a) At any time and subject to such limitations and other provisions as may be set forth in the applicable Certificate of Determination, the Authority may obtain or provide for the delivery to the Trustee of a Liquidity Facility and/or a Credit Facility with respect to the Bonds of any Series.

(b) The Liquidity Facility or Liquidity Facilities relating to the Bonds of any Series shall provide for draws thereon or borrowings thereunder, in the aggregate, in an amount at least equal to the amount required to pay the Purchase Price for the related Bonds of a Series. Except as may otherwise be provided in the applicable Certificate of Determination, the obligation of the Issuer to reimburse the Liquidity Facility Issuer or to pay the fees, charges and expenses of the Liquidity Facility Issuer under the Liquidity Facility shall constitute a Parity Reimbursement Obligation within the meaning of the Resolution and shall be secured by the pledge of and lien on the Trust Estate created by Section 501 of the Resolution.

ARTICLE V COVENANTS; AGENTS; DEALER AGREEMENTS

501. Tax Covenant.

(a) Subject to subsection (e) of this Section, the Authority shall not take or omit to take any action which would cause interest on any Bonds authorized by this Supplemental Resolution to be included in the gross income of any Owner thereof for Federal income tax purposes by reason of subsection (b) of Section 103 of the Code. Without limiting the generality of the foregoing, no part of the proceeds of any Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in section 148 of the Code and to be subject to treatment under subsection (b)(2) of Section 103 of the Code as an obligation not described in subsection (a) of said section. The Authority shall make such payments to the United States as may be necessary to comply with the provisions of Section 148 of the Code.

(b) There is hereby delegated to each Authorized Representative of the Authority the power to execute and deliver for and on behalf of the Authority one or more Arbitrage and Use of Proceeds Certificates with respect to the Bonds of each Series in furtherance of the covenant in subsection (a).

(c) Notwithstanding any other provision of the Resolution to the contrary, upon the Authority’s failure to observe, or refusal to comply with, the covenants in subsection (a) above, the Owners of the Bonds, or the Trustee acting on their behalf, shall be entitled only to the right of specific performance of such covenant, and shall not be entitled to any of the other rights and remedies provided under Article X of the General Resolution.

(d) Notwithstanding Section 1201 of the General Resolution, the Owners of the Bonds of any Series shall be entitled to the benefit of the covenants in subsection (a) above until the retirement of the Bonds of such Series, whether at maturity or earlier redemption or otherwise.

(e) The preceding clauses of this Section 501 shall not apply to any Bonds authorized by this Supplemental Resolution the interest on which is included in gross income for Federal income tax purposes.

502. Trustee and Paying Agent. The Trustee heretofore appointed pursuant to the General Resolution, is also appointed as Paying Agent for the Bonds.

503. Remarketing Agent. The Authority shall appoint and employ the services of a Remarketing Agent prior to any Purchase Date or Mode Change Date while the Bonds of any Series are in the Commercial Paper Mode, Daily Rate Mode, Weekly Rate Mode, Index Mode or Term Rate Mode. As and to the extent so provided in the related reimbursement agreement, no appointment of the Remarketing Agent for the Bonds of a Series shall be effective without the consent of the Credit Facility Issuer or the Liquidity Facility Issuer, as the case may be, for the Bonds of such Series. Such consent shall be deemed to have been given if such Credit Facility Issuer or Liquidity Facility Issuer, as the case may be, unreasonably withholds its consent. The Authority shall have the right to remove the Remarketing Agent as provided in the Remarketing Agreement. To the extent so provided in the related reimbursement agreement, the Authority shall, upon a written direction of the Credit Facility Issuer or the Liquidity Facility Issuer for the Bonds of a Series, remove the Remarketing Agent for the Bonds of such Series if the Remarketing Agent fails to comply with its obligations under the Remarketing Agreement.

504. Tender Agent. The Authority shall appoint and employ the services of a Tender Agent prior to any Purchase Date or Mode Change Date while the Bonds of any Series are in the Daily Rate, Weekly

Rate, the Term Rate Mode, the Index Rate Mode or the Commercial Paper Mode. The Authority shall have the right to remove the Tender Agent as provided in the Tender Agency Agreement.

505. Issuing and Paying Agent. The Authority may appoint and employ the services of and Issuing and Paying Agent prior to the issuance of any Notes pursuant to Section 303(d). The Authority shall have the right to remove the Issuing and Paying Agent as provided in the Issuing and Paying Agency Agreement. Any Issuing and Paying Agent appointed under the provisions of this Section shall be a bank or trust company that is qualified to act as Trustee pursuant to Section 1107(c) of the General Resolution.

506. Dealer Agreements; Dealers. Any Authorized Representative is hereby authorized to execute and deliver one or more Dealer Agreements in such form as such Authorized Representative shall approve, such execution and delivery to be conclusive evidence of such approval. Any Authorized Representative is hereby authorized to appoint one or more Dealers approved by the Board of Trustees.

ARTICLE VI MISCELLANEOUS

601. Additional Right to Amend. This Supplemental Resolution may be amended without consent of the Owners of Bonds or of the Trustee and only with the consent of the Credit Facility Issuer and the Liquidity Facility Issuer for the Bonds of a Series affected by such amendment, at any time or from time to time, (i) for the purpose of making changes in the provisions hereof relating to the characteristics and operational provisions of the Modes of any Series of Bonds or (ii) in order to provide for and accommodate Credit Facilities or Liquidity Facilities for Bonds of any Series. Each such amendment shall become effective on any Mandatory Purchase Date applicable to the Bonds of a Series affected by such amendment next following the filing of a copy thereof, certified by an Authorized Officer, with the Trustee, the Tender Agent, the Remarketing Agent, the Credit Facility Issuer and the Liquidity Facility Issuer with respect to the Bonds of such Series.

602. Notices.

(a) **Notices to Owners.** All notices required to be given to Owners of Bonds of a Series under this Supplemental Resolution, unless otherwise expressly provided in this Supplemental Resolution, shall be given by first class mail, postage prepaid.

(b) **Notices to Rating Agencies.** The Authority shall give prior written notice to the Rating Agencies of any of the following events:

(1) Any change of Trustee, Tender Agent or Remarketing Agent;

(2) Any material changes to the Resolution, the General Resolution or this Supplemental Resolution that affect the Bonds;

(3) Any changes to the Liquidity Facility, the Credit Facility, or any agreement with the Liquidity Facility Issuer, Credit Facility Issuer, Remarketing Agent or Tender Agent pertaining to the Bonds;

(4) Any expiration, termination or extension of any Liquidity Facility or Credit Facility or the obtaining of an alternate Liquidity Facility or alternate Credit Facility pertaining to the Bonds;

(5) Any change in the Mode applicable to the Bonds of any Series from any Mode which is supported by any Liquidity Facility or Credit Facility then in effect to a different Mode which is not supported by such Liquidity Facility or Credit Facility; and

(6) Any redemption, defeasance, mandatory tender or acceleration of all the Outstanding Bonds.

603. Supplemental Resolutions. Notwithstanding anything in the Subordinated Resolution to the contrary, the Authority may modify or amend this Supplemental Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, (i) to increase the aggregate principal amount of Bonds that may be outstanding hereunder at any time, (ii) in order to provide for and accommodate Credit Facilities for any Series of Bonds, (iii) to make such provisions as shall not materially and adversely affect the interests of the Holders of the Bonds then outstanding or (iv) to take effect after such Holders' Bonds are no longer outstanding. The determination of the Authority as to whether any modification or amendment materially and adversely affects the interests of the Holders shall be binding and conclusive on the Holders.

604. Effective Date. This Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof certified by an Authorized Representative.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to adopt a resolution: (i) approving the annual report on the Board Policy on the Power Supply Hedging Program (the "Policy") for the period since the last annual review; and (ii) finding that LIPA has complied with the Policy, which resolution is attached hereto as Exhibit "A".

Background

By Resolution No.1352, dated March 29, 2017, the Board adopted the Policy to maintain an effective commodity hedging program ("Program"), focused on meeting the expectations of LIPA's customers for reasonable stability and predictability in power supply costs. The Policy was last reviewed and amended by Resolution No. 1493, dated September 25, 2019.

The Finance & Audit Committee ("F&A Committee") of LIPA's Board, in its Charter, was delegated the responsibility of reviewing LIPA's practices relating to commodity risk management. The F&A Committee considers as part of its review whether LIPA and its Service Provider PSEG Energy Resources and Trade ("PSEG ER&T") has remained in compliance with the Policy. Certain responsibilities, as set forth in the Policy, were delegated by the Board to the Chief Executive Officer including maintaining a Power Supply Risk Management Committee ("PRMC") to oversee the activities of PSEG ER&T.

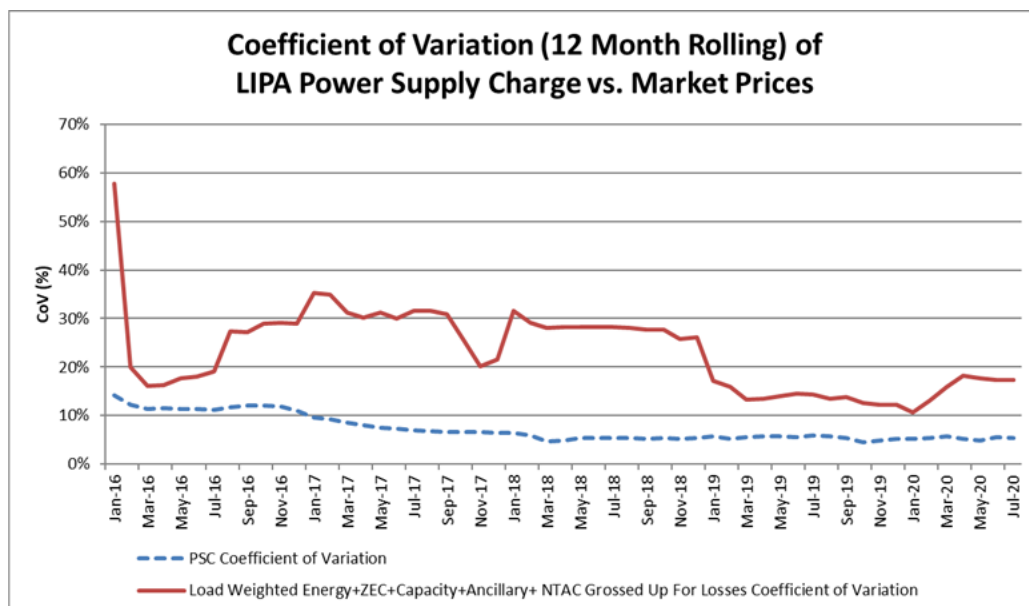
Specifically, the Policy provides that “the Chief Executive Officer, or his or her designee, will provide an annual compliance report on the Power Supply Hedging Program to the Finance and Audit Committee.”

Compliance with the Policy

Staff recommends that, for the reasons set for below, the Board find that LIPA has complied with the objectives of the Policy for the period since the last annual review.

The Policy is intended to “Mitigate a portion of the volatility of power supply costs in a programmatic and reasonable way on behalf of the LIPA’s customer-owners.”

- The PRMC approves the Program which identifies certain power supply cost components that can be fixed to create reasonable and stable rates. In general, hedging these cost components has proven to reduce the volatility of LIPA’s Power Supply Charge (“PSC”) for customers. As part of its biannual Program update, on June 24, 2020 PSEG ER&T presented to the F&A Committee a graph indicating the actual PSC volatility as compared to the volatility customers would be exposed to based upon unhedged market prices. The following graph reflects current data indicating the PSC volatility through July 2020 is 5.32% while market is more than three times that amount at 17.28%.



The Policy shall be “executed using financial derivative and physical supply and delivery contracts for a portion of LIPA’s projected fuel and purchased power purchases, provided, however that: the net hedge position does not exceed 90% of projected fuel and purchased power needs; and the term of any such hedge does not exceed ten years without the prior

approval of the Board or a term in excess of seventy-two (72) months without the prior approval of the Finance and Audit Committee of the Board.”

- PSEG ER&T executes both financial and physical hedge transactions on LIPA’s behalf for defined volumes that as of January 1, 2021 would be within a 59-month hedge horizon.

All transactions are monitored by PSEG Enterprise Risk Management Back-Office operations (“PSEG Back-Office”) for compliance; PSEG Back-Office generates and distributes hedge ratio position reports daily, weekly, and monthly to LIPA’s PRMC staff.

- Hedge transactions are triggered based on a time or value trigger protocol that has been established with an independent third-party hedge advisor. Time-trigger transactions allow for the accumulation of minimum required volume hedge levels over time. Value-triggered transactions allow for the accumulation of additional hedge levels based on lower decile pricing levels versus four-year historical pricing. In addition, volumes associated with Purchase Power Agreements (“PPAs”) having fixed prices and LIPA’s 18% ownership of Nine Mile Point 2 are included as part of the hedged volume. Currently, the PRMC has set a maximum hedge level limit of 85%.
- No hedges exceed a term of seventy-two months and the net hedge position does not exceed 90% of projected fuel and purchased power needs, meeting the requirements of the Policy.

The Policy states that the Program shall “Achieve appropriate risk mitigation and is not for purposes of financial speculation.”

- All transactions are based on PRMC approved projected fuel and power requirements associated with LIPA’s annual sales forecast. Specific power supply component volumes are also validated against historical consumption data. Each hedge transaction is reviewed by PSEG Enterprise Risk Management’s Middle-Office group (“PSEG Middle-Office”) for compliance to PRMC approved Program and procedures.

The Policy states that the Program shall “Provide transparency regarding LIPA’s commodity risk management activities and the results of such activities.”

- PSEG ER&T, PSEG Back-Office and PSEG Middle-Office provide to the PRMC staff on a daily, weekly, and monthly basis a hedge transaction report, hedge position report, and position valuation report. In addition, the following table identifies several other required reports to the PRMC and to LIPA’s F&A Committee, their distribution and reporting frequency, and the originator of the reports.

Report	Distribution	Normal Frequency	Originator
Trading Activity Summary	PRMC Traders	Daily Weekly	Front Office Middle Office
Position Report	PRMC Traders	Weekly	Middle Office
Credit Risk Exposure	PRMC Traders	Weekly	Middle Office
PRMC Meeting Minutes	PRMC	As Meetings are Held	PRMC Designated Secretary
Benchmarking	PRMC	Quarterly	Independent third-party hedge advisor
Power Supply Hedging Program	Board Finance & Audit Committee	Bi-annually	PSEG ER&T
Annual Compliance Report	Board Finance & Audit Committee	Annually	CEO or Designee

The Policy requires that “LIPA’s Chief Executive Officer shall appoint a [PRMC] consisting of at least three LIPA staff, two of which must be drawn from LIPA senior management. The PRMC will establish, maintain, and monitor processes and controls, the conduct of LIPA’s Power Supply Hedging Program, and the activities of its Service Provider, PSEG ER&T. The key provisions of the PRMC’s activities shall include”:

“Oversight and ensuring that all Program activities conducted by LIPA and PSEG ER&T are in accordance with the Board Policy”.

- All active participants of the Program are required to read and comply with the PRMC Approved Policies, Controls and Procedures Manual for Power Supply Hedging Program Manual”), which incorporates the Board Policy. All active participants are required to certify compliance with the Manual and Policy by executing the Yearly Certification of Compliance with Risk Management Policy and Procedures Form.

“Determining LIPA’s tolerance for exposure to fuel and purchased power price movements and power supply cost volatility considering the costs of limiting such exposure.”

- The PRMC has approved the Manual for the hedging Program that establishes LIPA’s tolerance for exposure to fuel and purchased power price movements. The PRMC has established minimum and maximum hedging limits by time-period as well as collateral posting limits.

- The cost of the Program is evaluated each day in the form of mark-to-market value of the positions and stress testing collateral exposure potential of all positions executed to limit PSC volatility.

“Addressing all risk factors that are demonstrably quantifiable, actionable and material to the Program.”

- The Manual specifically identifies authorized markets and delivery points, permissible hedge instruments and the terms and volumes available for hedging to reduce PSC volatility. It also addresses the PSC hedge components that are quantifiable, actionable, where sufficient market liquidity is available to hedge the required products and delivery points (i.e. natural gas, gas basis, power, power basis).

“Establishing risk boundaries consistent with such tolerances and evaluating allowable financial and physical instruments in executing the Program.”

- The Manual specifically identifies authorized markets, delivery points, permissible hedge instruments, terms and volumes associated with hedging to reduce PSC volatility. The Manual also addresses minimum and maximum hedge levels by time-period consistent with utility peers.

“Establishing appropriate processes and protocols to review and monitor counterparty credit worthiness on a regular basis.”

- The Manual identifies specific procedures carried out by PSEG Credit Risk Management on behalf of LIPA for managing and monitoring counterparty credit risk on an on-going basis. PSEG Credit Risk Management provides the PRMC with a credit report each week, as noted above.

“Monitoring Commodity Futures Trading Commission rule making and all other regulatory and legal requirements to ensure that LIPA is taking all actions required to maintain compliance with respect to any transactions under the Power Supply Hedging Program.”

- PSEG ER&T, PSEG Corporate Legal department and LIPA’s internal and outside counsel monitor Commodity Futures Trading Commission regulatory rulemaking to determine what actions, if any, LIPA is required to undertake to assure continued compliance.

Annual Review of the Policy

The Policy was last amended by the Board pursuant to Resolution No. 1493, dated September 25, 2019, at which time the Policy was significantly updated. Staff has completed its annual review of the Policy and has no suggested amendments at this time.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

**1558. RESOLUTION APPROVING THE ANNUAL REPORT ON THE BOARD
POLICY ON THE POWER SUPPLY HEDGING PROGRAM**

WHEREAS, the Board Policy on the Power Supply Hedging Program (the “Policy”) was originally approved by the Board of Trustees by Resolution No.1352, dated March 29, 2017; and

WHEREAS, the Policy was last reviewed and amended by Resolution No. 1493, dated September 25, 2019; and

WHEREAS, the Finance and Audit Committee of the Board of Trustees has conducted an annual review of the Policy and has recommended that the Policy has been complied with.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that LIPA has complied with the Policy for the period since the last annual review and approves the annual report to the Board.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority is requested to approve a resolution, attached hereto as Exhibit “A”, authorizing the Chief Executive Officer, or his designee, to engage Cheiron, Inc. (“Cheiron”) to provide actuarial services for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively “LIPA”) for a term not to exceed five years.

Background

LIPA has an on-going need for actuarial services related to a variety of aspects of its business including calculations of ongoing pension and Other Post Employment Benefit (“OPEB”) liabilities specific to LIPA employees and to advise LIPA management on matters relevant to the pension and OPEB costs that are flowed through to LIPA by PSEG Long Island through the Amended and Restated Operations Services Agreement (“A&R OSA”), and by National Grid through the Power Supply Agreement (“PSA”).

Discussion

On July 16, 2020, LIPA issued a Request for Proposals (“RFP”) seeking qualified firms to provide actuarial services to LIPA. The RFP was distributed to 24 firms including Minority and Women Owned Business Enterprise (“MWBE”) firms, advertised in the NYS Contract Reporter, and posted on LIPA’s website.

On or before August 17, 2020, three firms responded to the RFP. LIPA staff formed a selection committee to review the responses. The selection committee performed a technical evaluation by scoring each proposal, while LIPA's procurement staff evaluated cost and the MWBE and Service- Disabled Veteran-Owned Business criteria.

The proposals were evaluated by the evaluating team composed of LIPA's finance and procurement staff according to the guidelines set forth in the RFP, which included assessments of the firms' experience and qualifications, their hourly rates, proposed changes to LIPA's standard consulting contract, and their proposals to comply with state requirements for participation by MWBEs. As a result of that evaluation, no interviews were conducted.

Based upon the written submissions and an assessment of LIPA's needs, Cheiron was judged to be best suited to provide LIPA with actuarial services for the term of this engagement. Cheiron has extensive experience advising some of the largest public companies, including utilities, as well as multiemployer and corporate pension and OPEB plans. In addition, Cheiron's proposal noted specific experience serving as an independent actuary reviewing other actuarial results. LIPA needs this expertise to assist in evaluating and overseeing the actuarial results presented by PSEG Long Island and National Grid's actuaries. Cheiron's costs were also determined to be reasonable.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached resolution.

1559. RESOLUTION AUTHORIZING THE ENGAGEMENT OF CHEIRON, INC. TO PROVIDE ACTUARIAL SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage Cheiron, Inc. to provide actuarial services for the Long Island Power Authority and its subsidiary the Long Island Lighting Company d/b/a LIPA (collectively "LIPA") for a term not to exceed five (5) years

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to approve and adopt a resolution authorizing the Chief Executive Officer or his designee to execute a Cooperative Programming and License Agreement (the "Operating Agreement") between LIPA and New York State Office of Parks, Recreation and Historic Preservation ("Parks") to fund the operation and programming of an energy and nature

education center at Jones Beach State Park (the “Center”) that has been jointly developed by LIPA and Parks.

Background

On February 13, 2018, Parks, LIPA and PSEG Long Island entered into a Letter of Intent (“LOI”), under which the parties agreed to jointly develop the Center and to enter into Memorandum of Agreements and an Operating Agreement to fund its design, construction, and operation. LIPA and Parks entered into Memorandum of Agreements on May 8, 2018 and February 14, 2019, to fund the design and construction phases of this project, which are now largely complete.

The Center is an innovative public-private partnership that aims to further understanding of the interplay between human action, energy use, and environmental conservation. The Center will be used for educational, training, promotional and recreational activities and will be open to the public year-round. The Center, a net-zero energy building, will set an example of sustainable and resilient design, and through a variety of hands-on exhibits and programs, visitors to the Center will gain an understanding of Long Island's various ecosystems and learn how to use energy wisely and create a more resilient and sustainable future. The Center will be an interactive facility for visitors of all ages to become smart energy consumers and stewards of the environment.

The Board received an overview presentation of the Center at the December 18, 2019, Board Meeting and has approved funding for the Center as part of the annual budget process.

Discussion

Execution of the Operating Agreement was agreed to under the LOI and is necessary for the parties to complete the project and fund the Center’s programming and other operating expenses. Under the Operating Agreement, LIPA and Parks share the costs of operating the Center, but LIPA’s contribution is subject to an annual cap with any cost overages the responsibility of Parks. The energy portion of the Center, which will have programming and educational materials administered by LIPA’s Service Provider, is approximately half of the square footage of the Center. The Operating Agreement has a term of 25 years and its total cost to LIPA is approximately \$6.4 million.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

1560. RESOLUTION APPROVING THE OPERATING AGREEMENT WITH NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION FOR THE JONES BEACH ENERGY CENTER

WHEREAS, LIPA, jointly with Parks, has developed an energy and nature education center (the “Center”) at Jones Beach State Park; and

WHEREAS, the Center’s construction is nearly complete and is scheduled to open to the public in the coming weeks; and

WHEREAS, it is in the best interest of LIPA to execute a Cooperative Programming and License Agreement at the favorable terms outlined in the accompanying memo.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees (the “Board”) authorizes the Chief Executive Officer or his designee(s) to execute the Cooperative Programming and License Agreement with New York State Office of Parks, Recreation and Historic Preservation and any other related agreements and arrangements, consistent with the terms of the accompanying memorandum, and to perform such further acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or his designee.

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to approve a resolution authorizing the Chief Executive Officer or his designee to execute an amendment to the Power Purchase Agreement (“PPA”) between the Long Island Lighting Company d/b/a LIPA, a wholly owned subsidiary of the Long Island Power Authority (collectively “LIPA”) and Exelon Generation Company, LLC (“ExGen”) for the continued purchase of nuclear energy from the FitzPatrick Nuclear Power Plant (the “FitzPatrick Plant”), which resolution is attached hereto as Exhibit “A”.

Background

LIPA has purchased power from the FitzPatrick Plant under a legacy contract dating back to 1975 (“Contract UD-3S”). The FitzPatrick Plant supplies approximately five percent of Long Island’s energy requirements. In March 2017, ExGen purchased the FitzPatrick Plant and took assignment of Contract UD-3S from Entergy. The energy price under the Agreement is fixed and serves as a financial hedge against volatile fossil fuel and electricity costs. Additionally, the energy provided under the Agreement is associated with legacy transmission service agreements with Niagara Mohawk and Con Edison that have been used since 1975 to deliver the energy from the FitzPatrick Plant to Long Island.

In recognition of these transmission service agreements, the New York Independent System Operator (“NYISO”) awarded LIPA “grandfathered” transmission congestion contracts (“TCCs”) which are valuable financial instruments that provide the financial equivalent of delivering the FitzPatrick energy to Long Island by compensating LIPA for the “congestion” (essentially, the difference in electricity price) between the plant’s location in Scriba, New York and Long Island.

To maintain the full benefits of the grandfathered transmission agreements, the NYISO requires that LIPA have a corresponding purchase agreement in place for power produced by the FitzPatrick Plant. The PPA, which was last extended in 2017, is scheduled to expire on December 31, 2020.

Discussion

In recognition of the impending expiration of the PPA, and potential loss of the associated TCCs, PSEG Long Island and ExGen have negotiated an amendment providing for another three-year extension, which will begin on January 1, 2021 and provide for the purchase by LIPA of annual energy volumes generally equivalent to those set forth in the current Agreement, i.e. 160 MW of baseload energy in the summer and 124 MW in the winter, amounting to approximately 1.2 million MWh/yr. The energy will be scheduled by ExGen on a day-ahead basis in accordance with NYISO rules.

The energy price will be fixed for the three-year term at a rate which reflects a reduction from the current price and is consistent with the market prices that are anticipated to prevail at the point of sale during the next three years. PSEG Long Island advises that this pricing, when combined with the net benefits of the TCCs (i.e., the amount by which the TCC revenues related to the contract are expected to exceed the charges under the transmission service agreements), will provide economic benefits to LIPA's customers compared to the alternative of not extending the contract and securing the energy elsewhere. The estimated total contract value of the three-year extension is approximately \$90 million, not including transmission charges and TCC revenues.

It should be noted that the other terms and conditions of the Agreement will remain substantially the same.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

1561. RESOLUTION APPROVING THE AUTHORIZATION TO EXECUTE AMENDMENT TO THE POWER PURCHASE AGREEMENT WITH EXELON GENERATION COMPANY, LLC

WHEREAS, LIPA and its predecessor LILCO have been purchasing power from the Fitzpatrick nuclear plant since 1975 and the current power purchase agreement between LILCO and the current plant owner Exelon Generation is set to expire on December 31, 2020 ("FitzPatrick PPA"); and

WHEREAS, PSEG Long Island has negotiated an extension of the FitzPatrick PPA under favorable terms and conditions which enable the Authority to continue to purchase carbon-

free energy to supply approximately 5% of its annual energy requirements (“FitzPatrick PPA Amendment No. 6”);

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Chief Executive Officer or his designee is authorized to execute the FitzPatrick PPA Amendment No. 6 and such other documents as may be necessary or appropriate to effectuate it.

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to approve a resolution authorizing the Chief Executive Officer or his designee to execute an agreement for a two-year extension of the existing Sound Cable Project Facilities and Marketing Agreement (“F&M Agreement”) between the Long Island Lighting Company d/b/a LIPA, a wholly owned subsidiary of the Long Island Power Authority (collectively “LIPA”) and the Power Authority of the State of New York (“NYPA”), which resolution is attached hereto as Exhibit “A”.

Background

LIPA purchases transmission service over the Sound Cable Project (“Project”) under the F&M Agreement, a legacy contract with NYPA that dates from 1987. The Project consists of certain 345 kV transmission facilities between Con Edison’s Sprain Brook substation located in Yonkers, NY and LIPA’s East Garden City Substation. Under the existing arrangement, LIPA pays NYPA’s costs of debt service, maintenance and repair, and assumes certain operating risks. LIPA is also entitled to the revenue from transmission congestion contracts (“TCCs”) associated with the cable, which are valuable financial instruments issued by the New York Independent System Operator (“NYISO”) that provide the financial equivalent of delivering energy purchased in the NYISO market from the Sprain Brook point of injection to Long Island. LIPA is compensated for the “congestion” (essentially, the difference in electricity price) between the two locations.

The F&M Agreement is set to expire upon retirement of the Project debt on November 30, 2020. NYPA has been engaged in studying the potential for life extension and modernization (“LEM”) of the Project, which has been in service since 1991. Because the LEM may entail a significant investment by NYPA, the size of which is not known at this time, the net economic benefits to LIPA’s customers of a long-term extension of the F&M Agreement cannot yet be determined. In the event that the F&M Agreement expires, the costs and benefits of the Project would be passed through NYPA’s transmission tariff at the NYISO.

Discussion

In recognition of the impending expiration of the F&M Agreement, the parties have agreed to extend the F&M Agreement for an additional 24 months, from December 1, 2020 to

November 30, 2022 in order to allow time for the LEM study to be completed, after which the parties may consider a longer term extension. No significant capital expenditures are expected during the two year extension. LIPA will continue to pay for facility O&M, approximately six million dollars a year, and receive TCC revenues, which are expected to yield significant net benefits to LIPA during the term of the extension.

It should be noted that there are no significant changes to the other terms and conditions of the F&M Agreement, and a related O&M Agreement that dates from 1991 remains unchanged and in effect until the expiration of the F&M Agreement.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

1562. APPROVAL OF EXTENSION OF THE SOUND CABLE PROJECT FACILITIES AND MARKETING AGREEMENT WITH NEW YORK POWER AUTHORITY

WHEREAS, LIPA and its predecessor LILCO have paid for transmission service on the Sound Cable Project since 1991 and the current Facilities and Marketing Agreement (“F&M Agreement”) between LILCO and the New York Power Authority is set to expire on November 30, 2020; and

WHEREAS, PSEG Long Island has negotiated a two-year extension of the F&M Agreement (“Extension Agreement”) under favorable terms and conditions which enable LIPA to continue to benefit from the TCC revenues generated by the cable;

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Chief Executive Officer or his designee is authorized to execute the Extension Agreement and such other documents as may be necessary or appropriate to effectuate it.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority is requested to approve a resolution, attached hereto as Exhibit “A”, authorizing the Chief Executive Officer, or his designee, to engage Leading Resources, Inc. (“LRI”) to provide Governance Consulting services to the Long Island Power Authority and its wholly-owned subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, “LIPA”), for a term not to exceed five years.

Background

LIPA has an on-going need for Governance Consulting services to, among other things, support the Board members in their role, assess the overall effectiveness of LIPA's policy governance model, evaluate LIPA's procedures for reviewing, monitoring and reporting on governance-related items, and identify opportunities for improvements to comply with best practices of comparable organizations and enhance the overall effectiveness of the governance model.

Discussion

On July 15, 2020, LIPA issued a Request for Proposals ("RFP") seeking qualified firms to provide Governance Consulting services to LIPA. The RFP was distributed to over 100 firms, advertised in the NYS Contract Reporter, and posted on LIPA's website.

On or before August 6, 2020, seven firms responded to the RFP. One of the responses was from a NY State Certified woman business enterprise. LIPA staff formed a selection committee to review the responses. The selection committee performed a technical evaluation by scoring each proposal, while LIPA's procurement staff evaluated cost and the Minority and Women-Owned Business Enterprises ("MWBEs") and Service-Disabled Veteran-Owned Business criteria.

The proposals were evaluated by a team composed of LIPA's Chief Administrative Officer, an Assistant General Counsel, LIPA's Senior Manager of Enterprise Risk Management, and Procurement staff, according to the guidelines set forth in the RFP, which included assessments of the firms' experience and qualifications, their hourly rates, proposed changes to LIPA's standard consulting contract, and their proposals to comply with state requirements for participation by MWBEs.

Based upon the written submissions and an assessment of LIPA's needs, LRI was judged to be best suited to provide LIPA with Governance Consulting services for the term of this engagement.

Some of the strengths of LRI include extensive experience providing governance consulting services to other large public power companies and familiarity with the policy governance model adopted by the LIPA Board of Trustees. LRI's costs were also determined to be reasonable.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached resolution.

1563. RESOLUTION AUTHORIZING THE ENGAGEMENT OF A FIRM TO PROVIDE GOVERNANCE CONSULTING SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage Leading

Resources, Inc. to provide Governance Consulting services to the Long Island Power Authority and its wholly owned subsidiary, the Long Island Lighting Company d/b/a LIPA, for a term not to exceed five years.

Requested Action

The Trustees are requested to approve changes to the Long Island Power Authority's Tariff for Electric Service ("Tariff") allowing PSEG Long Island, during a State of Emergency and for a reasonable period thereafter, to waive customer late payment and reconnection fees (including backbilled demand and service charges) and to suspend the expiration of low-income customer discounts.

Background

On January 30, 2020, the World Health Organization designated the novel coronavirus, COVID-19, outbreak as a Public Health Emergency of International Concern. On March 7, 2020, the Governor of the State of New York issued Executive Order 202 declaring a State disaster emergency for the entire State of New York and authorizing all necessary State agencies to take appropriate action to assist local governments and individuals in containing, preparing for, responding to and recovering from this State disaster emergency, to protect state and local property, and to provide such other assistance as is necessary to protect public health, welfare, and safety.

On March 18, 2020, the Governor issued Executive Order 202.6, ordering all businesses in the State to implement telecommuting policies to the extent possible. On March 20, 2020, the Governor issued the "New York on PAUSE" Executive Order, closing all non-essential businesses and banning all non-essential gatherings in the State.

In response to these events, on March 27, 2020, the LIPA Board of Trustees approved temporary emergency changes to LIPA's Tariff for Electric Service allowing PSEG Long Island to waive customer late payment and reconnection fees (including backbilled demand and service charges) and to suspend the expiration of low-income customer discounts. The Trustees also granted LIPA staff the discretion to extend the effective period of the emergency changes if needed, in accordance with the SAPA emergency rulemaking provisions. The emergency tariff changes were initially effective from April 1, 2020 to June 30, 2020.

On June 17, 2020, New York Governor Andrew Cuomo signed new legislation prohibiting utilities from charging late-payment fees for residential customers who enter into deferred payment agreements.

On June 30, 2020, LIPA filed its Notice of Emergency Adoption and Proposed Rule Making, extending the effective period of the emergency tariff changes for an additional 60 days and

proposing to adopt the changes on a permanent basis. Though the tariff changes are proposed to be permanently added to the tariff, the customer relief will be applicable only during a State of Emergency or as otherwise required by law.

Proposed Action

LIPA staff proposes to modify its Tariff for Electric Service to provide that LIPA, through its service provider, PSEG Long Island, may (1) suspend application of customer late payment charges, (2) suspend application of customer reconnection charges (including backbilled demand and service charges), and (3) extend the grace period for customers to re-enroll in the low-income customer discount program. The modifications will allow the utility to take these actions when a state of emergency affecting the service territory is declared or as otherwise required by law.

Financial Impact

The proposal extends COVID relief measures that have been in place since April 1, 2020. For purposes of this financial impact estimate, staff assumes that the relief measures described herein will continue to be applied through October 31. After that time, late payment charges, reconnection fees (including backbilled demand and service charges), and LMI customer annual re-enrollment requirements will resume, except as otherwise provided by law. Staff recognizes that the resumption of normal operations could be affected by external factors such as the extension of New York on PAUSE or changes in law.

This estimated impact of these COVID relief measures for the (already approved) six-month period from April 2020 to September 2020 is \$6.5 million in foregone revenues. This includes \$5.5 million due to waiving late payment charges and \$1 million due to waiving reconnection fees. The estimated incremental impact of these COVID relief measures assumed to be in place for an additional month (through October 31) is \$1.1 million (comprised of \$1 million of late payment charges and \$0.1 million of reconnection fees).

In addition, staff estimates that the suspension of the expiration of low-income discount enrollments for the (already approved) six-month period from April 2020 to September 2020 resulted in \$200,000 of deferred revenues. The extension of this provision for an additional month is estimated to result in an additional deferral of \$100,000. With respect to waiver of reconnection-related backbilling of demand and service charges, the (already approved) waiver from April 2020 to September 2020 is estimated to have resulted in \$77,000 of deferred revenues. Extension of this provision for an additional month is estimated to result in an additional deferral of \$11,000 of deferred revenues. All \$388,000 will be recovered in the revenue decoupling mechanism in subsequent periods.

Recommendation

For the foregoing reasons, I recommend that the Trustees approve the modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

1564. APPROVAL OF TARIFF CHANGES FOR COVID-19 CUSTOMER IMPACT MITIGATION

WHEREAS, on January 30, 2020, the World Health Organization designated the novel coronavirus, COVID-19, outbreak as a Public Health Emergency of International Concern; and

WHEREAS, on March 7, 2020, the Governor of the State of New York issued Executive Order 202 declaring a State disaster emergency for the entire State of New York and authorizing all necessary State agencies to take appropriate action to assist local governments and individuals in containing, preparing for, responding to and recovering from this State disaster emergency, to protect state and local property, and to provide such other assistance as is necessary to protect public health, welfare, and safety; and

WHEREAS, on March 18, 2020, the Governor issued Executive Order 202.6, ordering all businesses in the State to implement employee telecommuting to the extent possible; and

WHEREAS, on March 20, 2020, the Governor issued the “New York on PAUSE” Executive Order, closing all non-essential businesses and banning all non-essential gatherings in the State; and

WHEREAS, the Trustees have reviewed the proposal and determined that these actions are necessary and prudent to mitigate the impact of COVID-19 on customers, and have further determined that it is necessary for the preservation of the general welfare that this amendment be adopted on an emergency basis as authorized by section 202(6) of the State Administrative Procedure Act, effective immediately upon filing with the Department of State; and

WHEREAS, a notice of proposed rulemaking and emergency adoption was filed in the State Register;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff are hereby adopted and approved to be effective October 1, 2020; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Acting Chair Cordaro stated that the next item on the agenda was the CEO's Report to be presented by Thomas Falcone.

Mr. Falcone presented the CEO Report and took questions from the Trustees.

Acting Chair Cordaro stated that the next item on the agenda was the Discussion of the 30-Day Report from the Isaias Task Force to be presented by Mujib Lodhi.

Mr. Lodhi presented the Discussion of the 30-Day Report from the Isaias Task Force and took questions from the Trustees.

State Senator James Gaughran appeared via video conferencing and requested to comment on this topic. Senator Gaughran also provided documents prior to the start of the Board Meeting via email to the Trustees and LIPA senior management, which are included in the record of the meeting.

Acting Chair Cordaro stated that the next item on the agenda was the PSEG Long Island Operating Report and Briefing on Tropical Storm Isaias to be presented by Daniel Eichhorn.

Mr. Eichhorn presented the PSEG Long Island Operating Report and Briefing on Tropical Storm Isaias and took questions from the Trustees.

Acting Chair Cordaro stated that the next item on the agenda was the Approval of the Annual Report on the Board Policy on Construction of T&D Projects to be presented by Rick Shansky.

After requesting a motion on the matter, which was seconded, Mr. Shansky presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution: (i) approving the annual report on the Board Policy on the Construction of Transmission and Distribution Projects (the “Policy”); and (ii) finding that LIPA has complied with the Policy, which resolution is attached hereto as Exhibit “A”.

Background

By Resolution No. 1383, dated September 27, 2017, the Board adopted the Policy with the purpose of supplementing existing requirements and practices and to guide consistent decision making related to: (i) the evaluation of system-wide benefits and costs for underground construction of projects where such benefits may exceed their costs; and (ii) public outreach prior to construction of major projects. The Policy was last reviewed, and amendments approved by Resolution No. 1491, dated September 25, 2019.

Compliance with the Policy

Staff recommends that, for the reasons set forth below, the Board find that the Authority has complied with the Policy for the period since the review of the Policy last year.

The Policy requires that the Chief Executive Officer annually report to the Board on compliance with the key provisions of the Policy. The key provisions of the Policy require that LIPA and PSEG Long Island:

“For transmission projects designed for voltages 65 kV and above that are not subject to Article VII, prepare a pre-construction report containing an advantage-disadvantage analysis using standardized criteria for evaluating the system-wide benefits and costs to the public of construction of overhead versus underground transmission projects similar to the criteria used by New York utilities subject to Title 16 of the New York Codes, Rules and Regulations (“NYCRR”) Part 1024, such report to be done sufficiently far in advance of construction to inform the public outreach and project planning process”:

- PSEG Long Island proposed the construction of a new 69kV transmission line from the Ruland Road substation to the Plainview substation, mainly located in the Town of Oyster Bay and partly located in the Town of Huntington. The project involves the construction of a new electric substation, identified as the Round Swamp Road Substation, and installation of two underground (“UG”) 69kV transmission circuits and two UG 13kV distribution exit feeders. In compliance with the Policy, PSEG Long Island prepared the required analysis that evaluated the system-wide benefits and

costs to the public of construction of overhead versus underground transmission projects similar to the criteria used by other New York utilities.

- The analysis led to the conclusion that substantial portions of the line had to be underground for technical reasons. On Round Swamp Road, the lower cost of an overhead line was balanced against numerous considerations, including high residential density, numerous inventoried areas, and tree impacts, among other things, and that portion of the line was determined to be best built as an underground facility consistent with the Policy.

With respect to the portion of the line along Old Country Road, similar considerations as well as the risk of additional costs should the environmental review process be protracted (e.g., the cost of repaving should PSEG Long Island be unable to coordinate its construction schedule with the County's scheduled repaving of the road), led to the decision in favor of underground construction.

- With respect to outreach for the Plainview to Ruland project, PSEG Long Island External Affairs conducted a series of meetings beginning in April 2018 through June 2020 with representatives from the local municipalities. Additionally, on July 8, 2020, a Transmission Notification letter was mailed to customers located within 500 feet of the Proposed Action to notify them of the upcoming activities. In accordance with the Policy, PSEG Long Island External Affairs also consulted with the Department of Public Service ("DPS") on outreach for the Proposed Action.

"Maintain a special tariff for undergrounding to provide a financing mechanism that allows local communities to pay for the additional cost of undergrounding all or a portion of a transmission or distribution project where insufficient systemwide benefits exist to justify allocation of the incremental expense throughout the Service Area"

- As previously reported to the Board, in December 2017, the Board adopted changes to LIPA's Tariff for Electrical Service (the "Tariff") to create a financing program that allows a local community to request an overhead line be undergrounded.
- The Tariff provisions allow the requesting municipality the option of paying either the full incremental cost of undergrounding in advance of construction or paying the cost in the form of an incremental consumption charge for a period of 20 years.
- Pursuant to these Tariff provisions, PSEG Long Island has begun discussions with the Village of Farmingdale and the Village of Westhampton Beach to underground certain distribution facilities in commercial areas. The final details of these projects remain pending. The status of those projects will be reported to the Board as part of the next annual review.
- Earlier this year, LIPA and PSEG Long Island prepared a brochure on the undergrounding program, which was electronically distributed to local elected officials and is available on both the LIPA and PSEG Long Island websites.

“LIPA and its Service Provider will conduct outreach to affected public officials, civic leaders, and communities in advance of the construction of transmission and distribution projects in a manner appropriate to each project, including visual representations of the proposed project as built, if appropriate, consistent with industry best practices, as mutually agreed upon by LIPA and its Service Provider, and in consultation with the Department of Public Service”:

- **PSEG Long Island outreach is integrated into capital project planning, design and construction and both LIPA and DPS review project scoring and outreach plans.**
- **PSEG Long Island scores each project scoring using outreach tiers based on various factors, including, project need, community impact, governmental impact, media landscape, permitting and regulatory requirements, aesthetic impacts, and environmental, historical, cultural and construction considerations. An outreach plan is developed for each specific project. The outreach tiers are used as a guideline, and outreach tools are then tailored to each project’s specific circumstances.**
- **Tier 1 project activities may include: (i) developing collateral materials; (ii) conducting media and regulatory audits to determine the outreach landscape and identification of stakeholders; (iii) briefing impacted officials; and (iv) notifying impacted customers.**
- **Tier 2 project activities may include: (i) all Tier 1 activities; (ii) mailings or door hangers to impacted customers; (iii) follow-up with impacted officials; and (iv) sharing project information on the PSEG Long Island’s website and social media accounts.**
- **Tier 3 project activities may include: (i) all Tier 1 and 2 activities; (ii) engaging in early design discussions; (iii) conducting early outreach and partnering with elected officials; (iv) hosting open houses; (v) collaborating with third-party experts; (vi) implementing a print and/or broadcast media communications plan; and (vii) email updates to impacted customers.**
- **Since the last annual report to the Board, the Round Swamp Road Substation and Ruland Road Substation to Plainview Substation New 69kV Transmission Circuit project was designated as a Tier 3 project, as was the Roslyn Substation Expansion project. Tier 2 projects included several distribution reconductoring project in areas across the service territory (Lake Success, North Hills, West Amityville, Massapequa, Rockaway Beach, Breezy Point) and the installation of voltage regulation equipment at the Whiteside substation.**

Enterprise Risk Management Discussion

The Board has adopted a Policy on Enterprise Risk Management (“ERM”). Enterprise risks are brought to the Board’s attention throughout the year. There is one risk related to the

Policy. That risk is: “Transmission and Distribution and generation capital projects could lead to controversy with stakeholders, negative public perception, and SEQRA and other litigation.”

This risk is rated as a medium level risk. LIPA mitigates this risk with concurrent oversight of PSEG Long Island’s project identification, planning and development process for significant projects and through its legal and external affairs teams working closely with PSEG Long Island’s External Affairs to monitor compliance with the Policy of the communication with towns and the public for significant projects. Based on the mitigation actions in place, Staff believes this risk is adequately managed.

Annual Review of the Policy

Staff has completed its annual review of the Policy and has no suggested amendments at this time.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1565. RESOLUTION APPROVING THE ANNUAL REPORT ON THE BOARD POLICY ON THE CONSTRUCTION OF TRANSMISSION AND DISTRIBUTION PROJECTS

WHEREAS, the Board Policy on the Construction of Transmission and Distribution Projects (the “Policy”) was originally approved by the Board of Trustees Resolution No. 1383, dated September 27, 2017; and

WHEREAS, the Policy was last amended by the Board pursuant to Resolution No. 1491, dated September 25, 2019; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that LIPA has complied with Policy for the period since the last annual review and approves the annual report to the Board.

Acting Chair Cordaro stated that the last item on the agenda was the Secretary's Report on Board Policies and Communication to be presented by Bobbi O'Connor.

Ms. O'Connor presented the Secretary's Report on Board Policies and Communication and took questions from the Trustees.

Acting Chair Cordaro then announced that the next Board meeting is scheduled for Wednesday, November 18, 2020 at 11:00 a.m. in Uniondale.

Acting Chair Cordaro then asked for a motion to adjourn to Executive Session to discuss litigation matters and announced that no votes would be taken and that the Board would not be returning to Open Session. The motion was duly made and seconded, and the following resolution was adopted:

1566. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

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

At approximately 1:02 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.
