



PLAN OF FINANCE UPDATE

June 28, 2023

2023 PLAN OF FINANCE UPDATE

- **Completed transactions:**

- LIPA 2023 ABC \$350MM Refinancing short-term debt

- **Pending transactions (July to September 2023):**

- LIPA 2023 D \$128MM Refinancing short-term debt
- LIPA 2023 E,F \$400MM Fund Capital Budget
- LIPA 2023 G \$180MM Refinancing of synthetic variable-rate debt with fixed-rate debt

- UDSA 2023-1 \$141MM Fund Capital Budget (Resiliency)
- UDSA 2023-2 \$600MM+ Refinancing UDSA Bonds for savings

2023 PLAN OF FINANCE UPDATE

- **Debt defeasance for debt service optimization**
 - Bond refinancings, under current market conditions, can provide roughly \$125 million of budget savings in 2024
 - A considerable portion of LIPA's capital budget is funded by fixed-obligation coverage in lieu of debt financing. These projects are eligible for tax-exempt bond financing
 - LIPA has identified an opportunity to utilize approximately \$100 million of fixed obligation coverage to defease bonds in a tax-efficient manner
 - By using fixed obligation coverage to defease bonds (rather than to reduce the size of the new money bond sale), LIPA can increase net present value savings by \$6 million for customers

Discussion

Questions?