



# LIPA 2024 Plan of Finance

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December 13, 2023

# OVERVIEW OF THE 2024 PLAN OF FINANCE

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- Issue up to \$635 million new money bonds to finance the capital budget, as per the 2024 Capital Budget
- Issue up to \$1.2 billion of LIPA refunding bonds, utilizing prior authorization totaling roughly \$1.25 billion (29<sup>th</sup> to 33<sup>rd</sup> Bond Supplemental Resolutions)
- Refunding candidates (subject to market conditions) include:
  - ~\$800 million bonds for net present value savings (current estimated NPV savings of \$55 million, increasing to \$80 million if interest rates decline by 0.50%), including \$413 million Series 2014A, \$99 million Series 2015B, and \$291 million Series 2016B
  - ~\$100 million structuring bonds
  - ~\$284 million Series 2019B “put bonds” with put rollover dates in 2024
  - Potential fix-out of variable-rate debt, subject to market conditions

## OVERVIEW OF THE 2024 PLAN OF FINANCE

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- Potential utilization of interest rate swaps and credit agreements to hedge market conditions for authorized financings
- Potential issuance of UDSA bonds in 2024, depending on interest rates
  - LIPA Board has already approved Financing Orders for the UDSA bonds sale, which is dependent upon improved market conditions (e.g. > 0.50% decline in rates)

## **FOR CONSIDERATION**

December 13, 2023

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**SUBJECT:** Approval of 2024 Plan of Finance

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### **Requested Action**

The Trustees are requested to authorize: (i) the issuance of up to \$635,000,000 additional aggregate principal amount of Electric System Revenue Bonds (the “Authorized Bonds”) for the purposes described below; and (ii) to enter into interest rate or basis swaps (“Financial Contracts”) in connection with the Authorized Bonds or existing bonds, and to terminate such Financial Contracts if necessary or advantageous.

### **Background on Plan of Finance**

LIPA’s 2024 Plan of Finance includes the following elements:

- Issuance of the Authorized Bonds in a principal amount no greater than \$635,000,000 for the purposes of funding the costs of system improvements and/or reimbursing such costs already incurred, including refinancing of notes or revolving credit agreement borrowings incurred to finance such costs. The \$635,000,000 will be sufficient to fund the current 2024 Budget estimate of \$535,000,000 for these purposes, plus \$100,000,000 for system improvement purposes. The additional \$100,000,000 is being authorized in the event the Authority determines to utilize other available funds to retire Authority debt rather than to apply such funds for system improvement purposes.
- LIPA may issue up to \$1,250,000,000 of Bonds for the purpose of generating annual debt service and/or present value savings by refunding LIPA Bonds or to refinance variable-rate debt of the Authority. No newly Authorized Bonds are needed as there is existing remaining authorization of approximately \$1,250,000,000 for these same purposes.
- Funding amounts due for the termination of Financial Contracts entered into in connection with any Authorized Bonds or refunded bonds.
- Entering into Financial Contracts, including forward starting swaps, in connection with the Authorized Bonds or existing bonds, in an amount of up to \$1,000,000,000, should doing so provide debt service savings or mitigate interest rate risk.

### **Authorized Actions**

The Authorized Bonds will be issued as either fixed-rate or variable-rate bonds or a combination thereof and sold on a negotiated basis either: (i) to one or more underwriters for resale to investors or (ii) directly to one or more investors or financial institutions. The Chief Executive Officer, the Chief Financial Officer, and the Vice President -- Controller are each authorized to sell all Bonds issued to one or more underwriters for resale to investors. In each case, the sale shall be at such price or prices as determined to be the most cost-effective and advantageous for LIPA. The new

Authorized Bonds could be issued in conjunction with such previously authorized, but not yet issued, bonds or be sold separately.

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

The total newly authorized amount of Authorized Bonds will be \$635,000,000, may be used to pay or reimburse the Authority for funding Costs of System Improvements and/or reimbursing such costs already incurred, including refinancing of notes or revolving credit agreement borrowings incurred to finance such costs.

### **Financial Contracts**

LIPA has determined that it may be appropriate to enter into one or more interest rate or basis swaps ("Financial Contracts") including forward starting swaps, relating to the Authorized Bonds or existing bonds of the Authority, should they provide debt service savings or mitigate interest rate risk for the Authorized Bonds or existing bonds of the Authority, as compared to merely issuing conventional fixed-rate or floating-rate bonds. Authorization to enter into such Financial Contracts with an aggregate notional amount of up to \$1,000,000,000 is requested. The Authority may also extend the tenor of existing Financial Contracts. The material terms of the agreements relating to any such Financial Contracts are expected to be substantially similar to agreements previously entered into by the Authority and may include interest rate risk, basis risk, settlement risk, termination risk, counterparty risk, and certain continuing covenants. Any such Financial Contracts would be submitted to LIPA's Executive Risk Management Committee for approval, per the Board's Policy on Interest Rate Exchange Agreements.

To the extent that any LIPA Bonds associated with Financial Contracts are refunded, or to the extent that doing so would provide debt service savings, mitigate interest rate risk, or be otherwise in the interest of the Authority, LIPA may also seek to terminate such Financial Contracts, reallocated them to other bonds or notes of the Authority, or assign them to other counterparties.

### **Recommendation**

Based upon the foregoing and the recommendation of the Finance and Audit Committee, I recommend that the Trustees adopt the resolutions attached hereto authorizing (i) the issuance of up to \$635,000,000 additional aggregate principal of Electric System General Revenue Bonds for the purpose of funding Costs of System Improvements and/or reimbursing such costs already incurred, including refinancing of notes or revolving credit agreement borrowings incurred to finance such costs, (ii) the execution and delivery of one or more new Financial Contracts and termination of new or existing Financial Contracts.

## **Attachments**

**Exhibit “A”** Authorization Relating to the Issuance of Electric System General Revenue Bonds for the Purposes of Funding Costs of System Improvements and Certain Other Costs, Execution and Delivery of Certain Financial Contracts.

**Exhibit “B”** Thirty-Fourth Supplemental Electric System Bond Resolution

**AUTHORIZATION RELATING TO THE ISSUANCE OF ELECTRIC SYSTEM GENERAL REVENUE BONDS FOR THE PURPOSES OF FUNDING COSTS OF SYSTEM IMPROVEMENTS AND CERTAIN OTHER COSTS, EXECUTION AND DELIVERY OF CERTAIN FINANCIAL CONTRACTS, AND ACTIONS NECESSARY TO CARRY OUT UDSA FINANCING ORDERS**

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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 Bonds” (the “Bonds”), for, among other purposes, funding Costs of System Improvements (as defined in the General Resolution) 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 various series of outstanding Bonds that may, depending on market conditions, advantageously be refunded; 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) 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 \$635,000,000; and

WHEREAS, the Authority wishes to issue the Authorized Bonds as either 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 Thirty-Fourth Supplemental Resolution (the “Thirty-Fourth 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 or mitigate interest rate risk by entering into one or more such Financial

Contracts in an aggregate notional amount of up to \$1,000,000,000 relating to all or a portion of the Authorized Bonds or other outstanding Bonds of the Authority, or extending existing Financial Contracts, 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, to the extent that bonds or notes associated with the Financial Contracts authorized hereby, or other Financial Contracts of the Authority, are refunded or doing so would provide debt service savings, mitigate interest rate risk, or would otherwise be advantageous to the Authority, it is anticipated that such Financial Contracts will either be reallocated to other bonds or notes of the Authority, assigned to or assumed by other counterparties, or terminated, as determined by the Chief Executive Officer, Chief Financial Officer, or Vice President -- Controller; and

WHEREAS, the decision as to which specific strategy or strategies to be employed in connection with such new or existing Financial Contracts 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, Chief Financial Officer, or Vice President -- Controller, 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; and

WHEREAS, the Authority may determine to request the Utility Debt Securitization Authority ("UDSA") to issue bonds to permit the Authority to refinance a portion of the Authority's debt and to finance system resiliency costs (as defined in Part B of Chapter 173, Laws of New York, as amended (the "LIPA Reform Act")) pursuant to the Restructuring Cost Financing Orders Nos. 8 and 9 previously approved by the Board (the "Financing Orders").

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Thirty-Fourth 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 Thirty-Fourth 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, Chief Financial Officer, and Vice President -- Controller are each authorized to sell all Bonds issued on a negotiated basis either (i) to one or more of the firms approved pursuant to the Authority's most recent procurement for underwriting for resale to investors or (ii) by private placement to one or more investors or financial institutions. The Chief Executive Officer, Chief Financial Officer, and Vice President -- Controller are each authorized to sell all Bonds to one or more underwriters for resale to investors. 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, Chief Financial Officer, and Vice President -- Controller 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 2023, with such modifications thereto as the Chief Executive Officer, Chief Financial Officer, and Vice President -- Controller, 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, Chief Financial Officer, or Vice President -- Controller or (iii) in connection with a competitive sale, a Notice of Sale and other necessary documents in such form, upon advice of counsel to the Authority, as may be approved by the Chief Executive Officer, Chief Financial Officer, or Vice President -- Controller, which approval in each case shall be conclusively evidenced by the execution thereof by the Chief Executive Officer, Chief Financial Officer or Vice President -- Controller.

4. Each of the Chief Executive Officer, Chief Financial Officer, and Vice President -- Controller 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, Placement Agreement or Notice of Sale, 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 Thirty-Fourth Supplemental General Resolution and this resolution.

5. As and to the extent that Authorized Bonds are issued for the purpose of refunding bonds or notes of the Authority or UDSA, each of the Chief Executive Officer, Chief Financial Officer, and Vice President -- Controller is hereby authorized to engage in a tender offer or exchange of outstanding bonds or notes of the Authority or UDSA, as the case may be, and to execute and deliver any and all documents necessary to accomplish the same, if determined to be cost effective and advantageous for the Authority.

6. As and to the extent that the Chief Executive Officer, Chief Financial Officer, or Vice President -- Controller determines that it would be advantageous in current market conditions to issue bond anticipation notes, such officer is hereby authorized to determine whether such bond anticipation notes shall be issued as "Bonds" or "Subordinated Indebtedness" (as defined in the General Resolution). In the event that bond anticipation notes are issued as Subordinated Indebtedness, the details thereof shall be incorporated in a Note Certificate executed by such officer and delivered to the trustees under the General Resolution and the Authority's Electric System General Subordinated Revenue Bond Resolution, along with a copy of this resolution. Such Note Certificate may include such amendments and modifications to the provisions of this resolution as such officer shall determine necessary and appropriate to effectuate such determinations and details. A copy of such Note Certificate also shall be filed with this resolution into the records of the Authority and, upon such filing, shall be deemed to be a part of this resolution as if set forth in full herein.

7. The Chief Executive Officer, Chief Financial Officer, and Vice President -- Controller 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 or any other bank or financial institution selected pursuant to an Authority procurement process.

8. The Chief Executive Officer, Chief Financial Officer, and Vice President -- Controller are, and each of them hereby is, authorized to enter into Financial Contracts in an aggregate notional amount of up to \$1,000,000,000 relating to the Authorized Bonds or other Bonds of the Authority, or to extend the tenor of existing Financial Contracts, 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, Chief Financial Officer, or Vice President -- Controller 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 or Vice President -- Controller 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 or Vice President -- Controller, and (iv) otherwise be in accordance with the Guidelines and substantially in the form of Financial Contracts 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 Financial Contracts, 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 Financial Contracts, that (a) the use of such Financial Contracts 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 Financial Contracts are both manageable and reasonable in relation to the potential benefits; and (c) the proposed Financial Contracts are necessary or convenient in the exercise of the power and functions of the Authority under the Act.

9. The Chief Executive Officer, Chief Financial Officer or Vice President -- Controller are each authorized to allocate or reallocate new or existing Financial Contracts to such outstanding Authority bonds or notes, or to terminate such agreements, as such officer may determine appropriate so as to permit the Authority to obtain the benefit of such Financial Contracts or to the extent that doing so would provide debt service savings, mitigate interest rate risk, or would otherwise be advantageous to the Authority and, to the extent that such agreements are terminated, some or all of the costs of such termination may be funded with the proceeds of the refunding Bonds, as determined by such officer. Any such officer is also hereby authorized to arrange for the assignment and assumption of any existing interest rate agreement to another counterparty or the

amendment or termination of any such agreement, to the extent officer determines any such assignment and assumption, amendment or termination to be advisable.

10. Each of the Chief Executive Officer, Chief Financial Officer or Vice President -- Controller is hereby further authorized to prepare and execute necessary documents, agreements, and certificates and to take all such actions as are necessary or proper to carry out the transactions contemplated by the Financing Orders including, but not limited to, providing for the issuance by UDSA of its Restructuring Bonds (as defined in the LIPA Reform Act), refunding outstanding bonds of UDSA or the Authority, conducting tender offers for outstanding bonds of UDSA or the Authority, financing system resiliency costs (as defined in LIPA Reform Act). In addition preparing and executing the documents forms of which were previously approved by the Authority in connection with the adoption of the Financing Orders, each of the Chief Executive Officer, Chief Financial Officer or Vice President -- Controller is authorized to prepare and execute such other documents, including but not limited to disclosure documents, continuing disclosure agreements, tender documents, escrow agreements, and other necessary documents, each in substantially the forms as prior transactions, as are necessary or proper to carry out the transactions contemplated by the Financing Orders.

11. Each of the Chief Executive Officer, Chief Financial Officer, and Vice President -- Controller is 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.

12. This resolution shall take effect immediately.

**LONG ISLAND POWER AUTHORITY**

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**THIRTY-FOURTH SUPPLEMENTAL ELECTRIC SYSTEM  
GENERAL REVENUE BOND RESOLUTION  
authorizing  
ELECTRIC SYSTEM GENERAL REVENUE BONDS,  
in one or more Series**

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**Adopted December 13, 2023**

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**THIRTY-FOURTH 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), as amended.

“**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.

**“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).

**“Replacement Bonds”** means the Bond certificates provided to the beneficial owners of the Bonds, or their nominees, pursuant to Section 203(a) hereof.

**“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.

**“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 in a not-to-exceed aggregate original principal amount described below and with the following designation: “Electric System General Revenue Bonds, Series 202\_” and with such additional or different designations as may be set forth in the applicable Certificates of Determination. 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 not-to-exceed aggregate original principal amount of \$635,000,000 provided that, to the extent that any bond anticipation notes are issued pursuant to Section 204(b) of this Supplemental Resolution and are refunded with Bonds 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, 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 reimburse the Authority for amounts due under any Financial Contract entered into in connection with any bonds or notes of the Authority, including, without limitation, termination payments that may be payable under an interest rate swap or other Financial Contract entered into in connection with any Refunded Obligations; and
- (iii) 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.

(b) 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 registered 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 the limit set forth in Section 201(b) and provided further that the aggregate original principal amount of the portion of the Bonds authorized by this Supplemental Resolution issued to fund Costs of System Improvements shall not exceed \$635,000,000;

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

(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; and

(m) 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 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.** 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.

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.

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 2024 (the "Series 2024 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 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.

**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 Series 2024 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 2024 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, 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, by the resolution of the Authority entitled “Twenty-Ninth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 18, 2019, as amended and restated May 20, 2020, by the Resolution of the Authority entitled “Thirtieth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted September 23, 2020, by the Resolution of the Authority entitled “Thirty-First Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 16, 2020, by the Resolution of the Authority entitled “Thirty-Second Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 16, 2021, by the Resolution of the Authority entitled “Thirty-Third Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 14, 2022, and by 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 this Supplemental Resolution, 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

**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.

## 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. 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.