

**FOR CONSIDERATION**

January 23, 2025

**TO:** The Board of Trustees

**FROM:** John Rhodes

**SUBJECT:** Authorization to Exercise LIPA’s Rights Under Schedule F of the 1997 Merger Agreement with Respect to Real Property Located in Far Rockaway

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**Requested Action**

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is being asked to authorize the Acting Chief Executive Officer or his designee to exercise LIPA’s rights under Schedule F of the 1997 Merger Agreement with respect to real property located in Far Rockaway.

**Background**

In 1998, LIPA purchased the Long Island Lighting Company (“LILCO”) pursuant to the Merger Agreement, dated June 26, 1997 (“Merger Agreement”). National Grid Generation LLC (“National Grid”) is one of the successors in interest with obligations under the Merger Agreement. LILCO’s generation plants were transferred to KeySpan Generation LLC, now National Grid. Pursuant to Schedule F of the Merger Agreement, LIPA has several rights, including the right to purchase or lease certain land located at certain of National Grid’s generation plants for its own generation facilities and a right of first refusal before National Grid Generation can sell its generating facility sites.

**Discussion**

LIPA has received notice from National Grid of its intention to sell certain real property located in Far Rockaway, which is subject to LIPA’s right of first refusal pursuant to Schedule F of the Merger Agreement. LIPA Staff has determined that it is in the interest of Long Island electric customers to acquire the real property in Far Rockaway that National Grid intends to sell. As part of the 2025 budget, the Board previously allocated funds for property purchases.

**Recommendation**

Based on the foregoing, I recommend that the Trustees authorize the Acting Chief Executive Officer or his designee to take all actions necessary or advisable to exercise LIPA’s rights under Schedule F of the Merger Agreement, including LIPA’s right of first refusal with respect to Real Property Located in Far Rockaway.

Attachment:

**Exhibit “A”** Resolution

**AUTHORIZATION TO EXERCISE LIPA’S RIGHTS UNDER SCHEDULE F OF THE 1997 MERGER AGREEMENT TO PURCHASE REAL PROPERTY IN FAR ROCKAWAY**

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**WHEREAS**, LIPA and National Grid Generation LLC (“National Grid”), as successor in interest to BL Holdings Corp., are parties to the Merger Agreement, dated June 26, 1997, among BL Holding Corp., Long Island Lighting Company, Long Island Power Authority and LIPA Acquisition Corp. (“Merger Agreement”); and

**WHEREAS**, the Merger Agreement gives LIPA rights, defined in Schedule F to the Merger Agreement, with respect to acquiring certain property currently owned by National Grid.

**NOW, THEREFORE, BE IT RESOLVED**, that the Acting Chief Executive Officer or his designee be and hereby is authorized to take all actions necessary or advisable to exercise LIPA’s rights under Schedule F of the Merger Agreement with respect to real property located in Far Rockaway.

Dated: January 23, 2025