

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 339th MEETING

HELD ON DECEMBER 17, 2025

The Long Island Power Authority (“LIPA”) was convened for the three hundred and thirty-ninth time at 11:18 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on December 12, 2025, and electronic notice posted on the LIPA’s website.

The following LIPA Trustees were present in person:

**Tracey Edwards, Chair
Valerie Anderson Campbell, Vice Chair
Vanessa Baird-Streeter
Anthony M. La Pinta
Claudia Lovas
Dominick Macchia
Mili Makhijani
Mary Ellen Mendelsohn**

Representing LIPA, in person, were Carrie Meek Gallagher, Chief Executive Officer; Bobbi O’Connor, Chief Legal Officer and General Counsel; Donna Mongiardo, Chief Financial Officer; Gary Stephenson, Senior Vice President of Power Supply; Suzanne Brienza, Vice President of Customer Experience and Clean Energy; Carolyn Scibelli; Senior Program Manager of Performance Management; Vinay Dayal, Director of Finance and Treasury, William Wai, Director of Rates; and Gaspare Tumminello, Manager of External Affairs. Participating via video conferencing was Greg Flay, Chief Information Officer; and Jason Horowitz, Deputy General Counsel.

Representing PSEG Long Island, in person, were David Lyons; Interim President and Chief Operating Officer; Robert Rowe, Vice President of Construction and Operations; Michael Sullivan, Vice President of Electric Operations; Lou DeBrino, Vice President of

Customer Operations; Martin Shames, Senior Director of Finance; and Jessica Tighe, Director of Customer Contact & Billing.

Representing the Department of Public Service was Nick Forst, Acting Director.

Chair Edwards welcomed everyone to the 339th meeting of the Long Island Power Authority Board of Trustees and asked Trustee La Pinta to lead the Pledge of Allegiance.

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

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the following resolutions were unanimously approved by the Trustees based on the memoranda summarized below:

1935. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 12, 2025 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on November 12, 2025 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 adopt a resolution: (i) approving the annual report on the Board Policy on Customer Experience (the “Policy”); and (ii) finding that LIPA has substantially complied with the Policy, which resolution is attached hereto as Exhibit “A.”

Background

In July 2017, the Board adopted the Policy with the purpose of providing a framework to achieve a high level of customer service and satisfaction. In November 2021, the Board collaborated with Leading Resources, Inc. to review the Policy and facilitate discussions among the Trustees regarding amendments to the Policy. At the November 2021 meeting, the Board adopted a revised

Customer Service Policy, which was subsequently renamed the Customer Experience Policy. The Policy provides that “the Chief Executive Officer, or his or her designee, will report annually to the Board on compliance with the key provisions of the Customer Experience Policy.” The Board conducted the last annual review of the Policy in November 2024.

Compliance with the Policy

This report covers customer experience activities from the Board’s November 2024 review to the present. PSEG Long Island has demonstrated improvement in call center operations, as well as progress in J.D. Power’s utility business customer satisfaction study, as further described below.

LIPA Staff recommend that, for the reasons set forth below, the Board find that LIPA has substantially complied with the Policy since the last review, as LIPA staff continue to work with PSEG Long Island to improve service delivery to customers.

Compliance with each element of the Policy is discussed in detail below, including areas designated for improvement.

“Deliver top quartile performance in J.D. Power’s utility residential and business customer satisfaction studies and on industry-standard customer service metrics.”

- **For 2025, PSEG Long Island ranked the highest in customer satisfaction among business customers in the East Large Segment, according to J.D. Power Electric Utility Business**
- **Customers Satisfaction Study. PSEG Long Island improved its ranking from eleven out of twelve utilities, in the fourth quartile, to number one overall.**
- **With three out of four waves reported, PSEG Long Island is currently in twelfth position out of eighteen utilities for J.D. Power Residential Customer Satisfaction Study. Year-end 2025 results will be made available in mid-December.**
- **PSEG Long Island did not meet the Contact Center Service Level with Live Agent Calls in 2024, ending the year at 42% compared to a goal of 77%. In 2025, efforts to improve service level, such as increasing call center staffing levels, implementing a Knowledge Management Database, including average handle time (AHT) as a goal on the representatives’ scorecard and bringing low performers into the office led to improved performance. Significant improvement has been achieved, with the Contact Center reaching 76.5% through December 1, 2025. Improvement is also shown in the other contact center metrics, such as AHT. Through December 1, 2025, AHT is at 430 seconds vs. 472 seconds as of year-end 2024.**
- **PSEG Long Island continues to maintain billing accuracy with customer invoice cancel and rebill holding steady at 0.15%. The utilization of AMI meter data has been crucial to this effort in conjunction with continued attention to ensure system upgrades and process changes do not impact current accuracy levels.**
- **PSEG Long Island billing for Time of Day (TOD) billing exceptions have been held, through system improvements, to a level of 0.8% throughout 2025 including migration through group 8 customer transition. The exceptions are tracked by resource level, illustrating that 2/3 of the TOD billing exceptions require minimal resource need to resolve the exception.**

- PSEG Long Island has been ranked first in the State for all of 2025 with the lowest number of customer complaints among New York State utilities registered with the Department of Public Service.

“Demonstrate continual improvement in customer satisfaction, ease of interaction, and value as measured by internal, end-to-end customer post-transaction assessments.”

- PSEG Long Island continued surveying customer interactions in 2025 to understand customers’ overall satisfaction and transaction-ease for the top five interactions including billing, payment, collections, service change, and outage as well as other general inquiries. The customer interaction channels surveyed included live agent phone, MyAccount, the mobile app, email, and the Interactive Voice Response (IVR) system.
- Customer survey feedback was used to identify improvement opportunities and prioritized them into technology projects aimed at enhancing the customer channel experience. The surveys also helped surface design and process issues in recently deployed customer channel enhancements, including Move Process Automation project, which led to further refinements.
- Customer satisfaction and transaction-ease scores remained high across all channels in 2024 and 2025, with the exception of Email. Enhancing the capabilities of the other channels is intended to guide customers toward more satisfying digital options such as MyAccount, mobile app or the IVR to resolve their issue.

	Customer Satisfaction		Ease of Transaction	
	2024	2025*	2024	2025*
Phone	95%	96%	94%	94%
MyAccount	78%	82%	84%	82%
Mobile App	76%	89%	88%	83%
Email	60%	60%	60%	60%
IVR	94%	93%	94%	94%

*YTD as of October 2025

“Invest in technologies to enhance the service, flexibility, convenience, and cost-effectiveness of billing, payment, appointments, emergency restoration, and other customer interactions. Ensure simple, accurate, and proactive customer communications related to customer billing, energy usage, emergency response, and estimated times of restoration.”

- PSEG Long Island efforts included both long-term and short-term projects designed to enhance the customer experience. Longer-term projects include establishing the foundation to implement a state-of-the-art Customer Information System, Customer Contact platform, credit card processor replacement, and move process automation. Customer Information System (CIS) Replacement - Customer Information System pre-implementation program work resumed in mid-2025 by reestablishing the joint LIPA/PSEG Long Island Steering Committee after a two-year pause of the project to focus on the Time-of-Day and system separation implementations. Issuance of the RFPs for the new CIS solution and system integrator is planned for 2026.
 - IVR Enhancements – Beginning in December 2024 and continuing throughout 2025, ongoing enhancements were implemented to streamline the call flow, address

scripts with high customer failure rates, and enable new transaction types. These improvements were designed to resolve customer inquiries within the automated system, reducing the need for transfers and ultimately improving the overall customer experience.

- **Credit Card Processor Replacement** - PSEG Long Island transitioned to a new credit card processing vendor in January 2024. System enhancements implemented in first quarter of 2025 include a more intuitive and streamlined credit card payment experience across all channels and acceptance of more modern customer payment methods including PayPal, Google Pay, and Apple Pay. The second phase of the project included a self-serve expansion to enroll in autopay with a saved digital wallet payment method. The self-serve expansion removes the manual resource required to enroll a customer in auto pay and provides greater payment control for the customer.
- **Move Process Automation** – Move request transactions have the longest handle time compared to all other customer transactions and were not previously available as a full self-service option due to the lack of automation. In 2025, PSEG Long Island added visual IVR to the other self-service channels (website, MyAccount, mobile app), which were recently enhanced to accept and process move requests. Since its implementation, the visual IVR has reduced move-related call volume requiring an agent by 10%. In addition to call reduction, expansion of this transaction in self-service allows customers to remain in their channel of choice.
- **Payment Kiosks** – PSEG Long Island introduced a new self-service payment channel to customers in November 2023 by installing payment kiosks at 4 customer offices by mid-2024. The systems have intuitive screen flow to guide the customer through the payment process and accept various payment methods including cash, credit, debit, and electronic check. In 2024, the kiosk functionality was expanded to offer payment arrangement enrollment. Through September 2025, more than 16,000 customers have utilized the kiosks making 56,968 payments totaling more than \$22 million. A fifth kiosk was placed at the Patchogue facility and operational as of September 2025. The scheduled installation was slightly delayed due to site permitting issues.
- **Outage Root Cause** – In the outage surveys, the “utility informing the customer of the cause for the unplanned outage” was consistently the lowest scoring question. In 2023, only 33% of survey respondents scored PSEG Long Island favorably for letting them know the cause of the outage. To address this, PSEG Long Island enhanced customer outage communications to consistently provide the root cause to customers. As a result of these enhancements, the October 2025 YTD score rose to 53%. To support continued improvement, an outage cause code metric has been introduced for 2026.

“Effectively target communications across customer segments and socioeconomic groups, with particular attention to low income and disadvantaged communities.”

- PSEG Long Island successfully achieved the 2025 Household Assistance Rate enrollment metric in the first quarter of 2025. The focus on achieving enrollment of more than 40,000 customers without automation was surpassed with 40,558. Automation efforts continue in 2025 with Nassau, Suffolk and NYC social service agencies to reduce customer effort and

maintain enrollment in the program. A prior communication study in 2023 illustrated that communication segmentation did not positively impact enrollment and highlights the need for expanded automation.

- PSEG Long Island partnered with more than 100 community agencies directly assisting customers to obtain utility funding through social service and non-profit programs. In 2025, additional partnerships with Public Housing agencies afforded eligible customer enrollment through shared eligibility data.
- In May 2025, the Community Advisory Board created an affordability subcommittee to augment current outreach efforts and brainstorm ideas to create an avenue to remove redundancies, educate and solidify partnerships, and gain valued trust in the communities with LIPA partnerships. This included a deeper relationship with CDLI to include training in offered programs to their case managers, assistance at rental sign-ups, and planned events as well as with The Energy Hub to offer guidance, partnership, and assist with formalizing connections with social service agencies. Additional support for Uniondale Land Trust with outreach and introduction to Advocacy at PSEG Long Island was valued.
- In November 2025, a New York State order was passed to stop unenrollment in the low-income rate program through November 2026 for those customers who do not renew as of October 1, 2025. This was in direct response to the delay in opening the Low-Income Home Energy Assistance Program (LIHEAP). In addition, the order clarified that the eligibility documentation was expanded to an 18-month period vs the prior 12-month look back period. These efforts adopted by LIPA are being implemented by PSEG Long Island and for 2025 retaining over 3,000 customers on the low-income program who otherwise would have been removed.
- PSEG Long Island promoted and educated customers on low-income programs through new channels including signage on NICE buses and waiting stations in underserved communities. As communication to the low-income community is key to share available program information, weekly emails are sent to identified zip code areas with highlights and where PSEG Long Island consumer advocate are located to assist in person.

“Evaluate the success of our rate options, clean energy programs, and other offerings by customer adoption and satisfaction and use the information to regularly review and improve our offerings.”

- PSEG Long Island deployed the two Time-of-Day rates in November 2023 and the Off-Peak rate became the standard residential rate offering in January 2024. As of December 1, 2025, 9 of the 10 planned customer groups were migrated to the new rate. Over 805,000 customers are enrolled in the Off-Peak or Super-Off Peak TOD rate, representing a 96% participation rate of eligible customers.
- Overall enrollment in the Household Assistance Rate (HAR) for low to moderate-income customers has remained steady with enrollment year to date 2025. The PSC order highlighted previously will ensure that eligible customers remain on the low-income rate through November 2026, providing program continuity for those most in need. A program was developed in 2022 to automate enrollment based on participation in social service programs. The automation program was incorporated into the 2024 and 2025 metric to encourage social service partnerships and increase low-income enrollments. Efforts towards completing this automation process have continued throughout 2025. As a result, PSEG Long Island is working towards finalizing vendor agreements and negotiating with key stakeholders, with implementation for automation expected in 2026.

- LIPA secured New York State utility funding to provide customers with an additional bill discount in 2024 of more than \$8, with expanded discount tiers to include customers receiving an alternate source heating benefit. The expanded tier enrollment continued in 2025 has assisted more than 16,000 non-electric heating low to moderate income customers to support a 6% energy burden.
- The heat pump program continues to be popular among customers and surpassed the 2022, 2023 and 2024 metric targets for the incentive program rebates. In 2025, LIPA implemented higher heat pump incentive targets up to 5,331 whole home dwellings, up from 3,600 in the previous. Despite higher targets, that target appears on track while also maintaining a consistently generous heat pump incentive for LMI customers of \$11,000. We have also improved the program to make it easier for contractors to participate in the program by tackling administrative hurdles by offering ACH payments to nearly all of our participating contractors and requesting the service provider to double down on outreach to non-traditional contractors such as plumbing and boiler contractors to drive adoption of air-to-water heat pumps and heat pump water heaters, which continue to see growth opportunities. LIPA has completed a study of fleet electrification needs on Long Island and is working with PSEG Long Island to improve the Fleet Make Ready program by opening up eligibility of this program to private fleets in order to garner more insights about fleets at large.
- Long Island continues to be a leader in customer adoption of rooftop solar through LIPA's net metering, Community Distributed Generation, and Value of Distributed Energy Resources tariffs. LIPA has surpassed its solar generation goals.
- LIPA is working with PSEG Long Island to redesign our incentives for retail energy storage. This includes updating the marginal cost of service, which will make the DER value stack more lucrative to battery storage developers. LIPA is also evaluating how to increase the locational portion of the value stack to provide additional market incentives in the areas where the grid is most in need of energy storage.
- LIPA is partnering with other state agencies and stakeholders to engage local governments around how energy storage projects can be sited in their areas in ways that are safe, This is being done to hopefully see the end of local moratoria on energy storage projects.
- LIPA has finalized plans to send \$2.7M in clean energy program funding to the Homes and Community Renewal office (HCR). HCR will then use this as direct-inject incentives to support efficiency and beneficial electrification work in the rehabilitation of multi-family residences in low-income communities.
- LIPA is engaging a small AI firm to conduct a pilot project evaluating how AMI data can be evaluated to understand which households in a given area have specific technologies like heat pumps, EV chargers, smart thermostats, etc. This information may considerably improve PSEG LI's ability to target demand response program enrollment efforts.

Enterprise Risk Management Discussion

The Board has adopted a Policy on Enterprise Risk Management. Enterprise risks are brought to the Board's attention throughout the year. There are three risks related to this Policy. The first risk is "Customer and stakeholders' dissatisfaction with PSEG Long Island's response to a storm or major event can result in increased negative perception and/or averse reputational impact." The second risk is related to decreased call center performance, which could result in negative customer perception and reputational impact. The third risk is "TOD rate implementation" which

could result in greater than forecasted opt-outs, lower than anticipated customer and system benefits, and negative reputational impacts.

The customer and stakeholders' dissatisfaction with a storm risk is rated as a high-level risk. In the customer experience area, PSEG Long Island mitigates this risk with oversight from LIPA through extensive testing of communication systems, development of a non-digital communication library of messages (e.g., radio, outreach centers) to keep customers informed, a quality control plan to ensure consistency of messaging across communication channels, and an Emergency Response Plan for customer communication protocols during restoration. PSEG Long Island has worked to improve relationships with customers and the media and has developed an updated crisis communications plan. We believe this risk is being managed to meet overall customer expectations.

The decreased call center performance risk emerged over the course of 2022 with an increased number of calls being unanswered and wait times exceeding acceptable levels. When identified in 2022, this risk was the result of insufficient staffing, increased call volume and average handle time, and high shrinkage resulting in reduced efficiencies. Over the course of 2025 significant progress has been made with new hires, implementation of a knowledge management database, among other improvements implemented in 2024. While this risk is still being monitored, the overall risk rating has been reduced and increased performance attributed to the focus and diligence of PSEG Long Island over the last two years in managing this risk.

The TOD rate implementation risk was highlighted in 2025 due to the bulk of customer migrations occurring throughout the year and potential risks associated with customer opt-outs. With 9 of the 10 groups migrated the transition thus far has been smooth. When the migration is completed the success of the program will be evaluated based on customer satisfaction, customers remaining on the TOD rate and the system benefits achieved. To date, the migration for customers to a TOD rate structure has been a success story and an example for other utilities to follow.

Based on the progress made in managing each of these risks, we believe these risks are being adequately managed.

Annual Review of the Policy

LIPA Staff has reviewed the Policy for this annual review and proposes no changes 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.

1936. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON CUSTOMER EXPERIENCE

WHEREAS, in July 2017, the Board originally adopted what was then known as the Customer Service Policy (the "Policy") for the purpose of providing a framework to achieve a high level of customer service and satisfaction; and

WHEREAS, in 2021, the Policy was amended by the Board where the Board, among other substantial edits, renamed the Policy to the Board Policy on Customer Experience to more fully reflect the Board’s strategic direction in this area; and

WHEREAS, the Board’s last annual review of the Policy was in November 2024; and

WHEREAS, the Oversight and Clean Energy Committee of the Board has conducted an annual review of the Policy and recommends that the Board approve the annual report.

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 (“LIPA”) is requested to adopt a resolution: (i) approving the annual report on the Board Policy on Information Technology and Cyber Security (the “Policy”) for the period since the last annual review; and (ii) finding that LIPA has substantially complied with the Policy, which resolution is attached hereto as Exhibit “A.”

Discussion

In December 2019, the Board adopted the Information and Physical Security Policy. The Policy delineated the Board’s expectations and direction for information and physical security in accordance with public safety, operational, reputational, and compliance requirements. It established a reporting requirement to the Board on compliance with the key provisions of the Policy. In 2021, the prior policy was supplanted by the Information Technology and Cybersecurity Policy. The Policy provides that LIPA’s “vision for information technology and cyber security is to use technology to enhance and simplify the customer experience, improve reliability, and minimize operating costs while ensuring robust, secure technology platforms that provide operational stability and protect customer, employee, and third-party data from unauthorized access or disruption. LIPA supports data privacy by transparently communicating how customer information is collected, used, and disclosed.” The Board completed the last annual review of the Policy in December 2022.

Compliance with the Policy

LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has substantially complied with the Policy since the last review.

Compliance with each element of the Policy is discussed in detail below.

- “Invest in information technology that supports the efficiency of business operations promotes innovation, and provides long-term customer value.”
 1. LIPA funded a substantial portfolio of IT projects in 2025, which advances the goals of increasing efficiency, promoting innovation, and providing long-term customer value. The portfolio covers a range of projects, including enhancements to existing systems and implementation of new technologies, with the larger projects covered by the 2024 IT metrics. Some noteworthy IT projects are discussed below.
 - **System Separation:** In the amended OSA between LIPA and PSEG Long Island, effective April 1, 2022, the parties agreed that it would be beneficial for all IT Systems serving LIPA to be separated and distinct from the systems, data, reports, and information of PSEG Long Island and its affiliates. The board-approved plan organizes the systems into four logical “bundles” for phased implementation. Work began on the first bundle in the last quarter of 2022 but has experienced significant schedule delays. However, the 2025 IT-07 System Separation metric is on schedule to be met. All systems are targeted to be separated by the end of 2025, in accordance with the OSA, and LIPA will continue to engage in oversight actively.
 - **Standardized Data Access Platform (SDAP):** The SDAP project was initiated to implement the Board recommendation to improve LIPA and Department of Public Service (“DPS”) access to PSEG Long Island financial and operational data through a Standardized Data Access Platform comprised of an enterprise-wide data warehouse, a broader data lake, and tools to support reporting and analytics. This past year has seen the implementation of the Starburst interface, which allows LIPA staff more direct access to the data lake than was previously available.
 - **CIS Replacement:** PSEG Long Island has been using their existing customer information system (CIS) platform since the mid-1970’s. While the underlying hardware and operating systems have been maintained at current levels, the application software is unable to meet current billing and customer needs, necessitating the use of ancillary systems like GridX for billing. The planning phase of the project has begun with the selection of a sourcing partner, who will in turn assist PSEG Long Island in the development of requirements and RFPs for the CIS product to be implemented as well as the system integration partner.
 - **Governance, Risk, and Compliance (GRC) Tool Deployment:** This project will select and implement a GRC tool to manage and automate GRC-related data and processes for the critical areas of Cyber Security, Business Continuity, and Disaster Recovery. The tool will provide efficiencies through automation, support regulatory compliance, and enable the organization to mature risk management capabilities through data and process enhancements. The project was initiated in

response to the 2023 NIST Cybersecurity Framework (CSF) assessment recommendation. Phase 0 will be completed in 2024, and it will provide vendor selection and a project plan for implementation in 2025.

2. LIPA has also established annually recurring IT System Resiliency metrics (IT-03 and IT-10), which aim to minimize the probability and impact of system failures through well-designed, robust, and thoroughly exercised Disaster Recovery Plans (DRPs) and Business Continuity Plans (BCPs) for critical systems and processes. The IT-03 and IT-10 metrics were not met in 2022, 2023, or 2024. LIPA engaged a third-party consultant in 2024 to conduct a holistic assessment of the resiliency program and develop recommendations on the path forward, including action plans with prioritized and achievable improvements. The assessment report was provided to PSEG Long Island in September 2024. The IT-03 metric was not properly funded for execution in 2025 and will not be met. The IT-10 metric was funded for 2025 and is expected to be met for 2025. Work on both efforts will continue into 2026.
- “Deploy modern grid management technology and data analytics that enhance grid operations, customer service, utility asset management, and demand management, as measured by a Smart Grid Maturity Model level consistent with industry best practices (i.e., top 25% of utilities).”
 1. The Smart Grid Maturity Model (SGMM) is a business tool stewarded by the Software Engineering Institute at Carnegie Mellon University. The model provides a framework for understanding the current extent of smart grid deployment and capability within an electric utility, a context for establishing strategic objectives and implementing plans that support grid modernization, and a means to evaluate progress over time toward those objectives. In 2022, LIPA engaged a consultant to conduct a smart grid maturity assessment using the Department of Energy’s Next Generation Distribution System Platform (DSPx) reference from the Modern Distribution Grid Project, which is similar in content and format to the SGMM. The DSPx assessment recommended numerous areas for technology investment, such as Advanced Metering Infrastructure (AMI), Distributed Energy Resources Management Systems (DERMS), and Advanced Distribution Management System (ADMS). Several initiatives have since been undertaken, including AMI, DERMS, and the ADMS Roadmap.
 - “Ensure the capacity of the information technology organization to deliver reliable, robust, and resilient systems, as measured by a Capability Maturity Model Integration level of 3 or higher.”
 1. LIPA has established an Organizational Maturity metric to improve IT capability and performance and achieve Capability Maturity Model Integration (CMMI) Maturity Level 3. LIPA conducted a CMMI assessment in 2025 and determined that PSEG Long Island was operating at Level 3, as required.
 2. LIPA has established the Project Performance metrics (IT-05 and IT-06) to improve project performance across the portfolio. In 2025, IT-05 is tracking 12 continuing projects, of which 8 are complete. Meanwhile, IT-06 is tracking 8 new projects for 2025, none of which have been completed. The use of metric exceptions to extend due

dates for identified deliverables is extensive, which is why LIPA has developed an enhanced IT-06 metric for 2026. This metric provides an incentive for projects delivered on time, on budget, with full scope, and of high quality.

- **“Regularly upgrade information and operational technology systems to maintain all systems within their active service life and under general support from the product vendor.”**
 1. **Metric IT-04, System and Software Lifecycle Management was established to ensure all IT and OT assets managed by PSEG Long Island on behalf of LIPA, including but not limited to computers, communications equipment, networking equipment, hardware, software, and storage systems, are within their active service life and under general support from the product vendor Pursuant to the metric, PSEG Long Island developed an Asset Inventory and a Two-Year Refresh Plan in 2022, which are now refreshed annually. The updated 2024-2025 Refresh Plan specifies a number of refresh projects to be conducted in 2024 to advance the objective of replacing or upgrading all end-of-life assets and was approved by LIPA. Execution of the plan is in progress.**
 2. **In 2024, the Life Cycle Replacement projects include some critical upgrades of operational technology systems, including:**
 - **EMS Upgrade:** This project was initiated in 2024 to upgrade the SCADA/EMS system, add a test/development environment at the Alternate Control Center (ACC), and develop a solution for compliance with the Ambient Adjusted Rating regulatory requirement (FERC 841 Order). The project is currently scheduled to deploy the upgraded EMS (Energy Management System) at the current Transmission Control Center (TCC) and the ACC in May 2026.
 - **JMUX Replacement:** This multi-year project is for the evaluation, design, and implementation of a new technology platform to replace the nearing end-of-life Multiplexer, which provides the network communication platform for critical T&D and NERC applications. A Systems Integrator (SI) was selected in 2023 and conducted an RFP process for the evaluation and selection of a new equipment vendor, as well as design activities to assess the structural work required to accommodate the new equipment. The equipment vendor was selected in Q4 2024, with the implementation to continue through 2027.
 - **CG Concentrator Project:** The data Concentrators are critical networking devices that manage the communications and controls of over 3,000 SCADA devices across the PSEG Long Island service territory. The existing Concentrators had limited expansion capability and had come to the end of life for continued product support. In 2023, the project's first phase was completed with the selection of new Concentrators that provide the capacity needed to sustain the SCADA device growth as more Smart connected devices are connected to the grid, with enhanced cybersecurity features. Deployment was completed in 2025.

- **DER to DSCADA Communications Upgrade:** This project upgrades the SCADA communications network from Distributed Energy Resources (DER) to the DSCADA/EMS systems and increases capacity, which is necessary to allow for new DER to be connected to the EMS and DSCADA systems at the currently projected growth rates. Deployment completed in 2025.
- **“Conduct quarterly internal vulnerability assessments and annual third-party vulnerability assessments and penetration testing of all information and operational technology systems and promptly mitigate vulnerabilities”**

PSEG Long Island Cybersecurity

1. Starting in late 2023, PSEG Long Island engaged an external vendor to conduct representative assessments of internal, external, D-SCADA, and mobile/web application attack surfaces. The results of these assessments were finalized in the summer of 2024. PSEG Long Island has reported that it has remediated all external surface vulnerabilities and the highest-severity internal vulnerabilities. Remediation is ongoing for the remaining vulnerabilities.
2. As per the DPS Management Audit recommendation, LIPA is also conducting independent penetration testing and vulnerability assessment of the PSEG Long Island system. The vulnerability assessment and penetration testing for PSEG Long Island are scheduled to kick off in December 2025. The final assessment report is due in April 2026, and the final remediation report is expected in June 2026.
3. Ransomware can severely impact business processes and leave organizations without the data to operate or deliver mission-critical services. The organizations affected often experience reputational damage, significant remediation costs, and interruptions in their ability to provide core services. In 2024, LIPA established the Ransomware Readiness and Response metric (IT-09). The metric ensures that any suspected or confirmed ransomware incidents are responded to consistently, controlled, and effectively. An independent third-party consultant reviewed and assessed the adequacy of PSEG Long Island's response to a ransomware incident. The assessment report was provided to PSEG Long Island in June 2024. The assessment report provided observations, identified gaps, and made recommendations. The recommendations are organized into an actionable roadmap based on best practices for developing, implementing, and improving PSEG Long Island's ransomware readiness and response plans. PSEG Long Island developed and submitted a PIP to LIPA for approval in 2025, aiming to fully implement the ransomware readiness and response roadmap, which aligns with the recommended timelines outlined in the assessment report. LIPA has engaged the services of an independent consultant to review the gap closure artifacts and deliverables, as well as the gap closure activities, and observe the ransomware response and recovery plan exercise, as required by the IT-09 performance metric. Gap closure is expected in 2026.

LIPA Cybersecurity

4. In 2025, LIPA completed all information technology systems' third-party vulnerability assessments and penetration testing. The assessment vendor was engaged in April 2025, and the final assessment report was completed in August 2025. By mid-September 2025, LIPA had remediated all the vulnerabilities identified.
 5. LIPA's vulnerability management team meets weekly and reviews vulnerabilities identified in systems managed by LIPA using a real-time vulnerability management/reporting tool. The team creates the remediation plan for newly identified vulnerabilities based on their criticality and reviews the remediation status of previously identified vulnerabilities. LIPA has also implemented tools to provide 24x7 monitoring and notification of any new vulnerabilities identified. The vulnerability reporting tool sends daily alerts to the Cybersecurity team. Vulnerability management is reviewed monthly by the IT/cyber leadership.
- **“Maintain a level of 3 or higher on the NIST Cybersecurity Framework, as evaluated annually through an independent assessment.”**
 1. LIPA and PSEG Long Island have adopted the NIST Cybersecurity Framework (CSF) to improve cybersecurity programs. The Framework uses business drivers to guide cybersecurity activities. It considers cybersecurity risks as part of the risk management processes, including guidance on People, Processes, and Technology to implement defense in depth for the enterprise.
 2. LIPA established a cybersecurity default metric for PSEG Long Island under the reformed PSEG Long Island contract, effective April 1, 2022, to achieve and maintain NIST CSF Tier 3. The reformed contract gives LIPA the right to terminate the contract should PSEG Long Island fail to maintain compliance, providing a strong improvement incentive. LIPA has hired a third-party evaluator to independently review PSEG Long Island's cyber readiness relative to the metric. The assessment work was completed in the First quarter of 2023, and the Final Assessment and Recommendations report was provided to PSEG Long Island in May 2023. A review by an independent consultant started in Q3 2024 to determine the progress PSEG Long Island has made to remediate the findings of the 2023 report. The final assessment report, delivered in December 2024, determined that PSEG-LI's cybersecurity program is predominantly operating at Tier 3 and provided recommendations for further strengthening cybersecurity controls. A follow-up NIST CSF assessment is planned for Q1 2026.
 3. An independent assessment of LIPA's cyber security posture using the NIST CSF was completed in Q4 2023. In Q1 2024, a work plan was developed to manage and track the implementation of the report's recommendations. LIPA completed the work identified in the work plan in July 2025.
 - **“Communicate how customer information is collected, used, and disclosed and ensure that, if confidential customer information is shared with a third party for a business purpose, the third party has robust information security practices.”**
 1. PSEG Long Island collects customers' information to provide electric service. The policy posted on the LIPA website describes what personal information is collected, when it is collected, how it is used, how it is protected, and under what circumstances

that information may be shared with a third party. The policy has also been posted on the PSEG Long Island website.

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 are two high-priority risks related to the policy for both LIPA and PSEG Long Island. For both LIPA and PSEG Long Island, there is a risk of a cyber event resulting from unauthorized access to LIPA-managed systems that leads to material financial losses, impacts on LIPA’s day-to-day operations, or damage to the organization’s reputation. For PSEG Long Island, there is a risk of a major outage or performance failure of a critical operating technology or business system, resulting in extended disruption to operations or business processes, damage to systems, and/or loss of data. Also, the breach of personally identifiable information (PII) could result in fraud, financial impact, and negative public perception.

LIPA’s Department of Innovation and Information Technology mitigates these risks with a comprehensive risk management strategy and concurrent oversight of PSEG Long Island’s IT department. The strategy includes several mitigation actions outlined in this memo, including the completion of annual penetration testing with remediation plans developed for identified vulnerabilities, the adoption of the NIST Cybersecurity Framework with the goal of maintaining a level 3 or higher assessment, and the implementation of a Cybersecurity Default Metric.

Considering the extensive efforts detailed in this Policy of both LIPA’s Department of Innovation and Information Technology and PSEG Long Island’s IT department, we believe the cyber and PII risks are being adequately managed.

Annual Review of the Policy

LIPA Staff has reviewed the Policy and recommends no change at this time.

Recommendation

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

1937. RESOLUTION APPROVING THE ANNUAL REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON INFORMATION TECHNOLOGY AND CYBER SECURITY

WHEREAS, the Board Policy on Information Technology and Cyber Security (the “Policy”) was approved by the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) in November 2021; and

WHEREAS, the Oversight and Clean Energy Committee (the “Committee”) of the Board has conducted the annual review of the Policy and has recommended to the Board that the Policy has been substantially complied with.

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

Chair Edwards stated that the next item on the agenda was the Chief Executive Officer's Report to be presented by LIPA's Chief Executive Officer, Carrie Meek Gallagher.

Ms. Gallagher presented the Chief Executive Officer's Report and took questions from the Trustees.

Chair Edwards then opened the Board meeting to public comments.

After hearing all public comments, Chair Edwards stated that the next item on the agenda was the Consideration of Approval of the 2026 Budget, to be presented by LIPA staff.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to adopt a Resolution: (i) approving the proposed 2026 Operating and Capital Budgets (the "Budget") which sets forth the revenue, grant, other income, and expenditure forecasts for the year ending December 31, 2026; and (ii) amending the 2025 Capital Budget as described below and specified in Exhibit "A."

2026 Operating and Capital Budgets

The proposed 2026 Budget totals \$5.57 billion, including an Operating Budget of \$4.39 billion and a Capital Budget of \$1.18 billion, including 2025 carry-over amounts of \$143.6 million discussed below, (attached as Exhibit "B"). The proposed 2025 Operating Budget funds the delivery and power supply costs, taxes, and debt service. The Capital Budget funds long-life infrastructure investments such as transmission, substations, poles, and wires. In addition, the Operating and Capital Budgets fund investments in various information technology projects, services, and commodities needed to support system operations.

The proposed 2026 Budget is consistent with the Board's Policy on Fiscal Sustainability (the "Financial Policy"), to provide clean, reliable, and affordable energy through strategies that prudently manage and safeguard LIPA's assets and result in the lowest long-term cost to customers. The policy seeks to achieve AA-category credit ratings via reducing LIPA's debt-to-assets ratio to 70 percent or less by 2030. This is accomplished by maintaining

fixed-obligation coverage ratios of no less than 1.40x on LIPA-issued debt and lease and subscription-based information technology arrangement (“SBITA”) payments; and 1.20x on the combination of LIPA-issued debt, UDSA-issued debt.

LIPA is proposing a PSEG Long Island Capital Budget to the Board for approval based on its assessment of the detailed project descriptions. However, for certain initiatives, LIPA and PSEG Long Island continue to evaluate data, and as a result, the 2026 LIPA Capital Budget reflects approximately \$179.4 million in pending project authorization reserve funding for PSEG Long Island initiatives held within LIPA’s approved Capital Budget. LIPA will release such funds to PSEG Long Island’s Capital Budget upon LIPA management’s approval of final project justification documents, as prescribed in the Operating Service Agreement (“OSA”), and LIPA will inform the Board of any associated budget modifications during the year.

Changes from the 2026 Proposed Budget

The 2026 Budget presented herein includes the following changes from the Proposed Budget presented on November 12, 2025: (i) carry-over of funds from the 2025 Capital Budget to the 2026 Capital Budget of \$143.6 million (as outlined below); and (ii) a slight decrease to Utility Depreciation in 2026, which has no impact on revenue requirements.

Amendment of the 2024 Capital Budgets

LIPA is recommending approval of an amendment to the PSEG Long Island Capital Budget for the carry-over of Capital projects from 2025 to 2026. The proposed amendment will result in a decrease to the 2025 PSEG Long Island Capital Budget by \$143.6 million, offset by an increase of \$143.6 million in 2026.

Annual Budget and Rate Update

Under the New York Public Authorities Law (“P.A.L.”) as amended by the LIPA Reform Act (P.A.L. § 1020 et seq.), LIPA and PSEG Long Island are required to submit a proposed rate increase to the New York Department of Public Service (“DPS”) for review if it would increase the rates and charges by an amount that would increase LIPA’s annual revenues by more than 2.5% of the total annual revenues. The proposed budget and associated rate adjustments would increase LIPA’s 2026 delivery revenues by less than this threshold. The delivery rate adjustments will be effectuated through a pro-rata increase to all Service Classifications. The 2026 target for the Revenue Decoupling Mechanism is \$2.148 billion. The individual rate components for each service class will be increased by the same percentage (subject to rounding) with the following proposed exceptions.

The monthly electric bill for the average residential customer is projected to be \$192.30 in 2026, which is \$6.53 per month or 3.3% below the projected average bill in 2025 of \$198.83. Approximately \$1.64 is due to an estimated decrease in average electricity use per typical residential customer, an \$8.64 reduction in Power Supply Charges, and slight reductions in Sales Tax and Merchant Function Charge (MFC). Offsetting this

decrease is an increase of \$3.88 driven by increases in Delivery & Systems, Delivery Service Adjustments (DSA), and Distributed Energy Resources (DER).

A copy of the redlines reflecting the annual rate adjustments is provided for as Exhibit “C”. DPS has recommended that “the annual rate adjustments are appropriate to support the 2026 budget set forth by LIPA.” A copy of the DPS recommendation related to the rate adjustments is provided for as Exhibit “D”.

Other Rate Updates

To simplify rate choices for its commercial customers, LIPA plans to eliminate its legacy commercial time-of-use (“TOU”) rate codes 282 and 288 effective January 1, 2026. These rate codes have not been available to new and transferring customers for over 22 months. DPS supports LIPA’s plan to eliminate the two legacy TOU rates. In addition, to stay consistent with the practices among other utilities in the state, following the adoption of the new rate design by the New York Public Service Commission, LIPA proposes to introduce its new standby service rates and update the existing rate for its buyback service, effective January 1st, 2026.

As the migration of its residential customers to the Time of Day (“TOD”) rates comes near its completion on January 7, 2026, LIPA’s residential TOD program implementation has been a continued successful story and well-received by our customers. The overall program participation rate is expected to be over 95%.

Consistent with the Board’s *Policy on Customer Value, Affordability, and Rate Design*, LIPA Staff participates in the State’s *Energy Affordability Policy Working Group*. The Working Group continues to recognize that energy affordability remains a major concern for low-income customers. LIPA Staff proposes to continue LIPA’s support to low-income customers with \$31 million rate relief in 2026. Effective January 1, 2026, qualified customers in LIPA service territory will be able to enroll in the Energy Affordability Guarantee Pilot (“the Pilot”) program made possible by joint efforts from DPS, LIPA, and PSEG Long Island. The Pilot would provide the guarantee in the form of monthly tailored bill assistance (*i.e.*, a bill credit) to enrolled customers to “ensure that these households pay no more than [6%] of their income towards electricity costs.”

To alleviate impacts to LIPA’s low-income customers due to the United States federal government shut down and uncertainty over the status of many federally funded programs, LIPA staff plans on proposing to pause customer disenrollments in LIPA’s Household Assistance Rate (“HAR”) program through November 30, 2026, and extend the documentation of eligibility lookback period from 12 months to 18 months.

2026 Utility 2.0 Plan

The 2026 Proposed Budget includes \$10.2 million in Capital funding and \$13.7 million in Operating funding for Utility 2.0 initiatives. These amounts are consistent with the Utility 2.0 Plan that was reviewed and supported by DPS in its recommendation to the LIPA Board

(attached as Exhibit “E”). Initiatives funded by the Utility 2.0 portfolio include the development of residential energy storage incentive program, integrated energy data resource program, smart home electrical panels, and support for beneficial electrification such as electric vehicle make ready initiatives.

Pursuant to the DPS recommendation, PSEG Long Island tracks all Utility 2.0 project costs and reconciles these costs within the Utility 2.0 Program funding levels on an annual basis. Further, DPS recommends that budget variances be addressed exclusively as part of future Utility 2.0 filings. As a result, LIPA follows regulatory accounting treatment to properly align Utility 2.0 Program revenue recognition with the timing of expenses.

2026 Energy Efficiency Plan

The 2026 Proposed Budget includes \$88.2 million in Operating Revenue for initiatives proposed in the PSEG Long Island’s 2026 Energy Efficiency and Renewable Plan. The proposed funding of the Energy Efficiency and Renewable Plan is consistent with the DPS recommendation (attached as Exhibit “E”).

LIPA Information Technology

The Proposed Operating and Capital Budgets include \$14.0 million for Information Technology (“IT”) professional services and commodities that are expected to be procured off the contracts negotiated by the New York State Office of the General Services (“NYS-OGS”) and Federal Supply Schedules (General Service Administration, “GSA”). Where appropriate and in accordance with LIPA’s procurement guidelines, LIPA may utilize multi-year NYS-OGS and GSA centralized contracts that extend beyond a single fiscal year, provided such contracts offer demonstrable value, continuity of service, and cost-effectiveness over their full term.

IT professional services include management support and expert assistance outside the scope of service for LIPA’s current IT consulting services contracts. These services would be billed on a fixed hourly labor rate or at a fixed cost, as applicable, on an as-needed basis to support various IT system implementation initiatives as well as operational and oversight support functions. Over the next five years, the professional services that are anticipated include system design and architecture to support LIPA IT infrastructure upgrades, data analytics, a data warehouse, advanced analytics, an enterprise document and record management system, intranet, website, time and attendance initiatives, system integration and implementation of enterprise resource planning system, case management, financial management, planning, and modeling, Human Resource management, cloud migration, cybersecurity planning, implementation and review, IT strategic planning, performance management, business process improvement initiatives, System Resiliency (DRP/BCP/IRP), Emergency Response Planning, quality assurance of various IT initiatives within LIPA, independent verification and validation review of designs, plans, systems and programs implementation managed by PSEG Long Island, and Oversight Support. To ensure continuity of these multi-year initiatives, LIPA may make use of multi-year OGS or GSA contracts whose term aligns with the anticipated project durations, enabling stable

pricing, reduced administrative burden, and to support long-range IT planning and investment efficiency.

Commodities to be procured include hardware, software licenses, software, applications, cloud services, cybersecurity and systems monitoring and management subscription services, system and data center hosting, telephony, telecom, audiovisual, video conferencing support and services on an as-needed basis in the ordinary course of business and continued maintenance of the existing hardware and software.

Regulatory Accounting Topics

Regulatory Deferral of Clean Energy Initiative-Related Program Funding

The 2025 Approved Budget included \$2.0 million to fund certain NYSERDA-administered clean energy initiatives. Due to changes in the timing of these specific efforts, LIPA has not fully expended such funds during 2025. As a rate-regulated entity under Governmental Accounting Standards, LIPA follows GASB Statement No. 62 , Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, and as such, LIPA staff is seeking the Board of Trustees' approval to defer the unused funds for application to future years when costs are incurred.

Allocation of Intra-Year Power Supply Capacity Costs

In December 2015, the Trustees approved a regulatory asset to allow for a greater share of the recovery of certain fixed generation capacity costs in the Power Supply Charge (“PSC”) from customers during the summer months consistent with when the generation capacity is needed rather than recovering these fixed costs equally through the year. Staff believes this accurately reflects cost causation in electric rates. The December 2015 approval by the Trustees specified that the schedule of deferrals and amortization of such costs in future years would be presented in future budgets. There is no net impact on an annual basis from the reallocation of these costs within the year, with allocations that range by month from plus \$29.1 million to minus \$37.2 million, as shown in the table below.

Allocation of Intra-Year Power Supply Capacity Costs (\$ in millions)	
January	(\$32.675)
February	(\$37.226)
March	(\$11.336)
April	(\$2.218)
May	\$7.379
June	\$14.872
July	\$25.293
August	\$29.121
September	\$19.428
October	\$3.307
November	(\$5.102)
December	(\$10.843)
Total	\$0.000

2026 PSEG Long Island Performance Metrics

The Second Amended and Restated Operations Services Agreement (“OSA”) includes performance standards (the “Performance Metrics”) for all the management services PSEG Long Island provides to LIPA. Approximately \$23 million of Variable Compensation (as contractually adjusted for inflation) is at risk annually based on these performance standards. The Performance Metrics are designed to be objectively verifiable and reasonably achievable levels of performance. The funds to achieve this performance are also budgeted, tying realistic plans and budgets to measurable outcomes each year.

For 2026, LIPA Staff proposed 58 Performance Metrics. In a letter dated October 31, 2025 (attached as Exhibit “F”), the DPS recommended the adoption of all 58 metrics as proposed by LIPA, without modification.

The 2026 Proposed Performance Metrics presented to the Board on November 12, 2025, as part of the 2026 Proposed Budget incorporate the DPS recommendations. The proposed 2026 Performance Metrics for the Board’s review and approval are provided in Exhibit “G.”

The LIPA Board has requested that Staff provide bi-annual report to the Board on PSEG Long Island’s progress on the 2026 Performance Metrics and an annual evaluation. Pursuant to the LIPA Reform Act and OSA, LIPA’s independent annual evaluation of PSEG Long Island’s performance is first submitted to the DPS for their review and recommendation before Variable Compensation is paid to PSEG Long Island.

Many of the proposed 2026 Performance Metrics contain “exclusion” language for specified events and situations, including for delays directed or requested by LIPA or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island. Exceptions typically include requests for extensions to due dates; clarifications and changes to project scopes, requirements, or methodology in the best interest of the metric objective; and opportunities for PSEG Long Island to take corrective action and resubmit a deliverable. LIPA Staff grants exceptions and exclusions if, in our judgment, it is in the best interest of achieving the metric objective, as LIPA’s primary emphasis is on delivering a favorable result for customers.

A summary of exceptions or exclusions provided to PSEG Long Island related to a metric are reported to the Board in the quarterly and annual reports. As provided for in Exhibit “A,” the Board delegates to LIPA Staff the ability to administer the exception and exclusion process in furtherance of the Board’s objectives.

Public Comment on the 2026 Budgets

LIPA held three public comment sessions regarding the 2026 Proposed Budget, (i) an evening session in the Rockaways, Queens County on November 18, 2025, (ii) a morning

session in Suffolk County on November 24, 2025, and (iii) an evening session, in Nassau County on November 24, 2025. The public session transcripts are provided in Exhibit “H.”

During those public sessions, comments were received from two speakers, Fred Harrison of Merrick and Daniel Karpen of Huntington.

Mr. Harrison questioned LIPA’s projection of reduced utility bills in 2026 when costs were rising. He felt that the forecasts were off in 2022, 2023, and 2024, and LIPA customers had an 11.6% rate increase. Mr. Harrison expressed doubt that customer bills in 2026 would decrease as natural gas prices were expected to increase by 16% in 2026 compared to 2025 due to US LNG exports. He further suggested LIPA publish a range of monthly charges rather than a single charge.

LIPA Staff Response:

LIPA Staff appreciates all public comments on the 2026 Proposed Budget. LIPA’s budget and metric process originates from the initiatives outlined in Board policies that define the objectives to be achieved. Board policies and LIPA’s strategic plans are available on LIPA’s website and are also discussed at LIPA Board meetings, which are available for the public to comment on throughout the year. As shown in the materials presented to the Board, LIPA’s projection of a decrease in the average residential bill is largely attributable to the reduction in power supply costs, which was further explained in detail in the presentation to the Board. See page 8 in Section 3 of the Budget for itemized details explaining the decrease.

LIPA utilizes the best available information during its budget process, and actual results may differ from estimates. However, LIPA’s power supply charge was actually lower than the amounts projected in the budget for both 2023 and 2024. In addition to address volatility in the power supply charge, LIPA resets the charge monthly, in accordance with LIPA’s electric tariff ensuring our customers are only charged actual costs. LIPA explains budget vs. actual budget variance at its Financial and Committee meetings, which are open to the public.

Regarding Mr. Harrison’s comment about showing the forecast as a range as opposed to a single expectation, LIPA Staff finds that presenting an average monthly bill is consistent with the standard utility practice rather than the suggested “range.”

LIPA staff also thanks Mr. Karpen for his comments. Mr. Karpen’s list of recommendations are unrelated to the budget proposal.

Recommendation

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

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees unanimously approved the following resolution.

1938. APPROVAL OF THE 2026 PERFORMANCE METRICS AND OPERATING AND CAPITAL BUDGETS AND AMENDMENT OF THE 2026 CAPITAL BUDGET

WHEREAS, the Long Island Power Authority (“LIPA”), through its wholly owned subsidiary, the Long Island Lighting Company d/b/a LIPA, owns the electric transmission and distribution system serving the counties of Nassau and Suffolk and a small portion of the County of Queens known as the Rockaways; and

WHEREAS, the Second Amended and Restated Operations Services Agreement (“OSA”) includes performance standards for all the management services PSEG Long Island provides to LIPA and the metrics are set independently by LIPA and DPS each year in the manner prescribed in the contract; and

WHEREAS, these Performance Metrics are designed to be objectively verifiable and reasonably achievable levels of performance, and the funds to achieve this performance are also budgeted, tying realistic plans and budgets to achievable, measurable outcomes each year; and

WHEREAS, the Board of Trustees (the “Board”) is required to approve annual budgets for LIPA’s operations and for capital improvements; and

WHEREAS, the proposed 2026 Budget incorporates Operating and Capital Budgets for the operation and maintenance of the transmission and distribution system, customer services, business services and energy efficiency and renewable energy programs which are predicated on improving storm response and restoration, customer satisfaction, reliability and storm hardening; and

WHEREAS, the proposed Operating and Capital Budgets include \$14.0 million for Information Technology (“IT”) professional services and commodities that may be procured off contracts negotiated by the New York State Office of the General Services (“NYS-OGS”) and Federal Supply Schedules General Service Administration (“GSA”), which contracts may extend beyond a single fiscal year, provided they offer demonstrable value, continuity of service, or cost-effectiveness over their full term; and

WHEREAS, the resolution is being adopted in accordance with the requirements of section 1.150-2 of the applicable Treasury Regulations, as evidence of LIPA’s intent to finance certain of its capital expenditures through the issuance of debt; and

WHEREAS, under the New York Public Authorities Law as amended by the LIPA Reform Act (P.A.L. § 1020 et seq.), LIPA and PSEG Long Island are required to submit a proposed rate increase to the New York State Department of Public Service for review if it would

increase the rates and charges by an amount that would increase LIPA's annual revenues by more than 2.5% of total annual revenues; and

WHEREAS, the proposed Budget and associated rate adjustments would increase LIPA's 2026 revenues by less than this threshold, and the proposed Budget contains rate updates consistent with the LIPA's Purpose and Vision, Board Policies, and the LIPA Reform Act; and

WHEREAS, LIPA presented its proposed 2026 Operating and Capital Budgets to the Board of Trustees on November 12, 2025 and held three public comment sessions on November 18 and 24, 2025 and accepted written public comments; and

WHEREAS, the memorandum accompanying this resolution includes a schedule of deferrals and amortization of certain generation capacity costs within the months of the year to affect the more accurate reflection of cost causation in electric rates within each month of the year;

NOW, THEREFORE, BE IT RESOLVED, that LIPA's financial statements are prepared in accordance with GASB No. 62, which outlines regulatory accounting for entities or operations which are rate regulated, the Board hereby approves the establishment of regulatory accounting treatment to defer 2025 revenue to meet certain Clean Energy expenses in future periods; and

BE IT FURTHER RESOLVED, that the Board hereby approves the 2026 Performance Metrics, as provided for in Exhibit "G" in the accompanying memorandum, and hereby delegates to LIPA Staff, in its discretion, the ability to provide PSEG Long Island exceptions within and from the 2026 Performance Metrics in furtherance of the metric objectives and the Board's Policies; and

BE IT FURTHER RESOLVED, that the Board hereby requires LIPA Staff to report bi-annually to the Board on the status of the 2026 Performance Metrics; and

BE IT FURTHER RESOLVED, that consistent with the accompanying memorandum, the Board of Trustees hereby approves the 2026 Operating and Capital Budgets and associated rate adjustments, which are attached hereto as Exhibit "C"; and

BE IT FURTHER RESOLVED, that the Board hereby approves granting LIPA the authority to release funds from the Capital and Operating reserves into PSEG Long Island's Capital Budget and Operating Budget upon LIPA management's receipt and approval of appropriate documentation or project justification documents in the manner prescribed in the OSA; and

BE IT FURTHER RESOLVED, that the Board hereby approves amendment to LIPA's 2025 Capital Budget to defer capital projects to 2026 of approximately \$143.6 million; and

BE IT FURTHER RESOLVED, that the Board hereby approves LIPA's financing of the requirements of the 2026 and 2027 Capital Budgets, as adjusted from time to time,

through a combination of internally-generated funds and the issuance of LIPA tax-exempt or taxable debt and authorizes the Chief Executive Officer or designees to evidence such intent by appropriate certifications; and

BE IT FURTHER RESOLVED, the Chief Executive Officer or designee be, and hereby is, authorized to execute and effect agreements to engage IT professional services and commodities consistent with the accompanying memorandum; and

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Chief Executive Officer or designees to carry out all actions deemed necessary or convenient to implement this resolution.

Chair Edwards stated that the next item on the agenda was the Consideration of Approval of the Plan of Finance to be presented by Vinay Dayal.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Trustees are requested to authorize: (i) the issuance of up to \$1,700,000,000 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 an amount up to \$1,000,000,000 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 2026 Plan of Finance includes the following elements:

- Issuance of the Authorized Bonds in a principal amount no greater than \$700,000,000 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 \$700,000,000 includes the 2026 Budget estimate of approximately \$600,000,000 for system improvements, plus an additional \$100,000,000 in the event LIPA decides to use available moneys currently budgeted to fund system improvements for other purposes.
- Issuance of the Authorized Bonds in an amount no greater than \$1,000,000,000 for the purpose of (i) generating annual debt service and/or present value savings by refunding LIPA bonds and/or Utility Debt Securitization Authority (“UDSA”) bonds, (ii) refinancing LIPA bonds subject to mandatory tender in 2026 and (iii) refinancing variable rate LIPA bonds.

- **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.**
- **The forthcoming issuance of variable-rate bonds and sale to BofA Securities, Inc. will rely on unused capacity under the Thirty-Fifth Supplemental Resolution in connection with the 2025 Plan of Finance. Otherwise, LIPA is not expecting to rely on existing but unused capacity under authorizations from preceding years in connection with the 2026 Plan of Finance. Instead, LIPA is requesting authorization sufficient to meet its debt issuance needs under the 2026 Plan of Finance. Given that, the authorization request before you today will expire on March 31, 2027. LIPA expects to continue to use this type of authorization in future years.**

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 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.

Any underwriter, dealer, or swap counterparty will be one of the firms approved pursuant to LIPA's then most recent procurement for underwriting, investment banking and swap counterparty services. The Trustees are requested to permit the Chief Executive Officer, Chief Financial Officer or 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 authorized amount of Authorized Bonds will be \$1,700,000,000, of which no more than (i) \$700,000,000 may be used to pay or reimburse LIPA 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 and (ii) \$1,000,000,000 may be used to refund outstanding bonds of LIPA and UDSA. The Authorized Bonds may also be used to fund amounts due for the termination of Financial Contracts entered into in connection with any Authorized Bonds or refunded bonds.

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 LIPA, should they provide debt service savings or mitigate interest rate risk for the Authorized Bonds or existing bonds or notes of LIPA, 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. LIPA 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 LIPA 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 LIPA, we may also seek to terminate such Financial Contracts, reallocated them to other bonds or notes of LIPA, 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 (a) \$700,000,000 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 and (b) \$1,000,000,000 aggregate principal of Electric System General Revenue Bonds for the purpose of refunding outstanding bonds or notes of LIPA and UDSA, and (ii) up to \$1,000,000,000 for the execution and delivery of one or more new Financial Contracts and termination of new or existing Financial Contracts.

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees unanimously approved the following resolutions.

1939. AUTHORIZATION RELATING TO THE ISSUANCE OF ELECTRIC SYSTEM GENERAL REVENUE BONDS FOR THE PURPOSES OF FUNDING COSTS OF SYSTEM IMPROVEMENTS AND CERTAIN OTHER COSTS, AND EXECUTION AND DELIVERY OF CERTAIN FINANCIAL CONTRACTS

WHEREAS, on May 13, 1998, Long Island Power Authority (the "Authority") adopted its Electric System General Revenue Bond Resolution, as amended and restated July 22, 2020, effective as of November 19, 2025 (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 has various series of outstanding Bonds that are subject to mandatory tender in 2026; 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 and for the purpose of refunding outstanding fixed or variable rate bonds or notes of the Authority or outstanding obligations of the Utility Debt Securitization Authority (“UDSA”), which Authorized Bonds shall be in an aggregate principal amount not to exceed \$1,700,000,000, of which no more than \$700,000,000 in principal amount shall be issued for the purpose of funding Costs of System Improvements (consisting of the 2026 Budget estimate of approximately \$600,000,000 for system improvements and \$100,000,000 in the event the Authority uses available moneys currently budgeted to fund system improvements for other purposes); 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-Sixth Supplemental Resolution (the “Thirty-Sixth 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 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 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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Thirty-Sixth 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, Controller (each an "Authorized Representative" and collectively, the "Authorized Representatives") are each hereby authorized to deliver the Thirty-Sixth 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 Representative, 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 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 then 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 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 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 2025, with such modifications thereto as the Chief Executive Officer, Chief Financial Officer, and 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 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 Controller, which approval in each case shall be conclusively evidenced by the execution thereof by the Chief Executive Officer, Chief Financial Officer or Controller.

4. Each of the Chief Executive Officer, Chief Financial Officer, and 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-Sixth 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 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 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). If 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 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, Royal Bank of Canada, TD Bank N.A., Bank of America, N.A.,

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 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 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 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 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 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 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.

11. This resolution shall take effect immediately and the authorizations hereunder shall expire on March 31, 2027.

**1940. THIRTY-SIXTH 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, as amended and restated July 22, 2020, effective as of November 19, 2025, 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 \$1,700,000,000 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.

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 for such costs or refinancing of notes or revolving credit agreement borrowings incurred to finance such costs;**
- (ii) to refund all or a portion of the Refunded Obligations, including refinancing of notes or revolving credit agreement borrowings incurred to refund all or a portion of the Refunded Obligations or to refinance any outstanding bonds of the Utility Debt Securitization Authority and to repurchase any related restructuring property;**

- (iii) 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
- (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.

(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 Representatives 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 \$700,000,000;

(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 2025 (the "Series 2025 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 2025 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 2025 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, by the Resolution of the Authority entitled “Thirty-Fourth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 13, 2023, by the Resolution of the Authority entitled “Thirty-Fifth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 18, 2024, 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.”

ARTICLE IV

REDEMPTION AND PURCHASE OF BONDS 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 Representative, 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 and Expiration.** 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. The authorization to issue Bonds pursuant to this Supplemental Resolution shall expire on March 31, 2027.

Chair Edwards stated that the next item on the agenda was the Consideration of Approval of Tariff Changes, to be presented by William Wai.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Trustees are requested to approve the following proposals to modify the Long Island Power Authority's ("LIPA" or the "Authority") Tariff for Electric Service:

1. **Energy Affordability Guarantee ("EAG") Pilot program Implementation: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to implement the New York State Energy Affordability Guarantee ("EAG") Pilot program in the LIPA service territory.**
2. **Option for ReCharge New York ("ReCharge NY" or "RNY") Customers to Participate in the Long Island Choice ("LI Choice" or "LIC") Program: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to implement RNY for non-net metered customers to provide the option to purchase their supplemental power from either LIPA or a LIC Energy Service Company ("ESCO"), and update related documents to reflect current system capabilities regarding EDI, consolidated billing and LIC billing dates for ReCharge NY customers.**
3. **New Rates for Standby Service and Updates to Buyback Service: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to introduce Standby Rates through Service Classification No. 12 - Standby Service, which improves alignment between rates and system costs, and implement updates to Buyback Service to stay consistent with the regulated electric utilities in the state, following recent New York State Public Service Commission orders.**
4. **Sub/Transmission Service: Modifying LIPA's Tariff for Electric Service, effective January 1, 2026, to clarify that customers taking service at or above 23,000 volts will be charged Sub/Transmission rates and required to execute an Interconnection Agreement ("IA") with the Authority.**

EAG Pilot Program Implementation: Background

In 2016, the New York State Public Service Commission (the "Commission") established the Energy Affordability Policy, which set a goal that low-income customers pay no more than 6% of their annual household income toward energy bills.

To support low-income households in reaching affordable building decarbonization, the 2024-2025 New York State Budget appropriated funds to the Department of Public Service

(“DPS”) to establish a program to provide an energy affordability guarantee to low-income residential customers who electrify their homes under the EmPower+ Program, administered by the New York State Energy Research and Development Authority (“NYSERDA”). The 2024-2025 State Budget (“Budget Law”) included an appropriation of \$50 million to fund the energy affordability guarantee (“Guarantee”) and provided additional parameters for the initiative, including that the Guarantee shall only be for the estimated useful life of the related electrification project, and that the Commission is authorized to establish a cap on electric usage applicable to the Guarantee. The Budget Law provides for the disbursement of appropriated funds to the utilities, including LIPA, on behalf of participating electric residential utility customers.

On August 15, 2024, the Commission issued an order approving an Energy Affordability Guarantee Pilot program (the “Pilot”), which directed DPS Staff to file an implementation plan outlining the Pilot design and ordered the State’s regulated utilities to file tariff amendments to effectuate the Guarantee with a temporary effective date of November 1, 2024.

Pursuant to the August 2024 Order, the Pilot would provide the Guarantee in the form of monthly tailored bill assistance (*i.e.*, a bill credit) to qualified customers that are enrolled in the Pilot to “ensure that these households pay no more than [6%] of their income towards electricity costs.” The August 2024 Order indicates that a DPS implementation contractor (the “DPS Implementation Contractor”) would be responsible for enrolling and interfacing with Pilot participants, collecting monthly electricity consumption data from utilities for each participant, and calculating the monthly Guarantee levels for each participant. The August 2024 Order also states that the Guarantee must be provided for an estimated 15 years. The August 2024 Order, which is attached hereto and incorporated by reference, further establishes how the Pilot will be designed and implemented, including, but not limited to: 1) customer eligibility requirements; 2) how the Guarantee, including applicable limits, will be calculated; 3) how the Guarantee will be provided to participants; 4) how the Guarantee will be transferred to allow for homeowners or tenants to apply for participation in the Pilot when tenancy changes; and 5) participant enrollment deadlines.

On October 17, 2024, the regulated utilities subject to the August 2024 Order (the “Regulated Utilities”) filed temporary tariff amendments and on November 15, 2024, DPS Staff issued its Pilot Implementation Plan.

EAG Pilot Program Implementation: Proposed Action

Consistent with tariff amendments filed by the Regulated Utilities, as ordered by the Commission in the August 2024 Order, LIPA Staff proposes to amend the Tariff to implement the Pilot in the LIPA service territory.

The Pilot will support the adoption of electrified space and water heating by low-income households by preventing electricity costs from exceeding 6% of their income. The Pilot will provide financial support to participating customers in the form of a bill credit to help mitigate the potential for increased energy cost burdens for customers that convert to a heat pump for space and water heating. Participant enrollments in the EAG Pilot will be

limited consistent with the August 2024 Order, and the Guarantee will be provided to participants for the life of the heat pump, up to a maximum of 15 years.

Consistent with the August 2024 Order, the Authority will implement the Pilot by providing participating customer billing data to a statewide implementation contractor procured by DPS Staff (the "Implementation Contractor"), which the Implementation Contractor will use to determine if a credit is needed based on the participant's energy use and household income. If the Implementation Contractor determines that a credit is necessary, the Implementation Contractor will communicate that amount to the Authority which will apply the credit on the customer's next bill.

EAG Pilot Program Implementation: Financial Impact

There are no material financial impacts to the Authority as the program is funded by a State Budget Appropriation. Customers participating in the program will see positive financial impacts in the form of a monthly Guarantee bill credit if the DPS Implementation Contractor determines that a participant is owed financial assistance for that month.

EAG Pilot Program Implementation: Stakeholder Comments

Three public comment sessions were held on LIPA's tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

DPS recommends adoption of this proposal as proposed. It affirms that LIPA's proposal aligns with the criteria outlined in the New York State Budget appropriation and helps to ensure that electric rates remain affordable for low-income customers

Option for RNY Customers to Participate in LI Choice: Background

LIPA's Board of Trustees ("Board") previously approved a Tariff modification for LIPA's implementation of ReCharge NY, a New York State economic development program administered by the New York Power Authority ("NYPA") that provides eligible customers with discounted delivery service. Under Recharge NY, NYPA can provide up to 910 MW of lower-cost power to eligible industrial and commercial customers to encourage load and job retention within the State.

Additional modifications were also made to the Tariff to further align LIPA's RNY program with the rest of the State.

Currently, there are approximately 300 LIPA customers that participate in RNY.

Option for RNY Customers to Participate in LI Choice: Proposed Action

Staff proposes to modify the Tariff to implement RNY for non-net metered customers to provide the option to purchase their supplemental power from either LIPA or a LIC ESCO.

As part of this change, LIPA Staff also proposes to amend the Tariff leaves regarding its Business Attraction/Expansion Programs to specify how incentives will be applied to RNY customers that receive LIC ESCO service for their supplemental power (i.e., for RNY customers on LIC, the discount will be limited to the portion of load provided by the customer's ESCO).

Additionally, Staff proposes modifications to the Uniform Business Practices for ESCOs in the LIPA Service Territory ("UBP-LI-ESCO") and the Long Island Choice Operating Procedures to reflect current system capabilities:

1. Electronic Data Interchange ("EDI") is not available for ReCharge NY customers that participate in LIC;
2. Consolidated billing is available to LIC Customers, with the exception of ReCharge NY customers; and
3. Calendar Month billing will be used for ReCharge NY customers on LI.

Option for RNY Customers to Participate in LI Choice: Financial Impact

Financial impacts cannot be quantified at this time. Impacts to the Authority will depend on the number of LIPA's non-net metered RNY participants that elect an ESCO rather than the Authority for their supplemental power needs. Impacts to RNY customers that choose to join LIC will depend upon the rates offered by ESCOs as compared to the Authority's rates.

Option for RNY Customers to Participate in LI Choice: Stakeholder Comments

Three public comment sessions were held on LIPA's tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

DPS supports this proposal as it provides additional savings options for Recharge NY customers, and therefore recommends adoption of the tariff changes as proposed.

New Rates for Standby Service and Updates to Buyback Service: Background

Currently, the Tariff offers SC 12 – Back-Up and Supplemental Service which provides additional power to customers that have either their own on-site generation (Rate Code 681) or that receive a portion of their power from the New York Power Authority ("NYPA") through the ReCharge NY program (Rate Code 680). The types of service currently offered under SC 12 include:

- **Back-up** – Provides the electricity the customer normally gets from non-Authority supply when there is an unscheduled interruption to that supply;
- **Maintenance** – Provides electricity during a scheduled interruption of the customer's supply to allow the customer or the Authority to do maintenance work on its equipment; and

- **Supplemental** – Provides the electricity the customer needs that is in addition to the electricity normally provided from the non-Authority supply.

Additionally, the Tariff currently offers Service Classification No. 11 (“SC 11”) - Buy-Back Service (Rate Code 289) through which the Authority pays for net energy received from customers at a price based on a contract or purchase power agreement at the time the energy is injected into the grid. LIPA also pays for the credited capacity at a price that reflects the cost of Installed Capacity (“ICAP”), as the Authority avoids having to purchase energy from the NYISO during the Zone K NYISO peak hour because of the customer’s injection during that hour.

To align with Commission orders and the practices of regulated utilities throughout the State, the Authority is proposing modifications to SC 11 and SC 12 to better align the Authority’s cost to serve “part-time” customers with revenues collected, to avoid shifting costs to other ratepayers.

New Rates for Standby Service and Updates to Buyback Service: Proposed Action

The proposal to implement Standby Rates eliminates LIPA’s existing Back-up and Supplemental Service Tariff provisions and will also update LIPA’s Tariff provisions for Buyback services. Both proposed updates are designed to align with the Commission orders referenced above.

Standby Service is designed for customers that self-supply a portion or all of their electricity needs from on-site generation sources and maintain a connection to the electric grid to avoid service interruption due to a variety of reasons (*e.g.*, unexpected generator outage, system maintenance, or supplemental energy needs). Standby Service can also be used for station power needs of a customer that supplies generation to the wholesale market. Under this proposal, Standby Service will be mandatory for customers with on-site generation that maintain a connection to the grid, although there are numerous technology (*i.e.*, solar, wind) and size-based (*i.e.*, less than 5kVA, less than 15% of maximum potential demand) exemptions.

Buyback Service is for customers with on-site generation to export power back to the Authority, and it is required for customers that inject power into the grid, except for who fall under numerous technology- or customer size-based exemptions.

The exemptions to Standby Service and Buyback Service in this Tariff amendment proposal are consistent with Public Service Law §66-j and the Commission orders referenced above.

New Rates for Standby Service

The Standby Service Tariff provisions will be implemented under Service Classification No. 12, and will be renamed from “Back-Up and Supplemental Service” to “Standby Service.” The new Standby Rates will be assigned Rate Code 682 for commercial

customers, will replace Rate Code 681, and will have eleven sub-rate codes to accommodate the various customer types and phase-in rates for existing customers. Optional Standby Rates for residential customers will be assigned Rate Code 179.

Standby Rate Codes	Parent Rate
B1179: Parent Service Classification No. 1 – Residential Service	<i>Rate Code 194, 580</i>
B1682: Parent Service Classification No. 2 - General Service – Small	<i>Rate Code 280 (less than 7 kW)</i>
P1682: Phase-In Charges for Parent SC-2 Small	
B2682: Parent Service Classification No. 2-L -General Service - Large	<i>Rate Code 281 (7 kW - 145 kW)</i>
P2682: Phase-In Charges for Parent SC 2-L -General Service - Large	
B3682 & B4682: Parent Service Classification No. 2 – MRP – Large General and Industrial Service With Multiple Rate Periods (Secondary and Primary)	<i>Rate Code 285 (over 145 kW)</i>
P3682 & P4682: Phase-In Charges for Parent SC 2-MRP (Secondary & Primary)	
B5682: Parent Service Classification No. 2 – MRP – Large General and Industrial Service With Multiple Rate Periods (Transmission)	<i>Rate Code 285 (over 145 kW)</i>
P5682: Phase-In Charges for Parent SC 2-MRP (Transmission)	
P6682: Phase-In Charges for Customers Previously on Closed Rate 681 (Transmission)	<i>Rate Code 681 (to be closed)</i>

The proposed rates will be designed applying the Commission’s Allocated Cost of Service (“ACOS”) methodology, as set forth in the ACOS Order, which will result in a more accurate revenue allocation and rate design. The proposed Standby rates will be revenue neutral, such that the revenues produced by the Standby rates applicable to each service classification would equal the revenues produced by standard rates (referred to as the parent service classification) if all customers in the standard service classification were to take Standby Service.

Following the proposed implementation directives, which is Consistent with the Commission orders referenced above and PSL §66-j, the proposed rates will be mandatory for approximately 72 current commercial customers and optional for most other customers. The approximately 72 current mandatory customers may choose to either take full Standby Rates or be phased-in over a five-year time period in five increments. New customers that take service after the effective date of this Tariff amendment and that meet the requirements of Standby Rates will be subject to full Standby Rates and will not be offered a phase-in over five years.

The Phase-In period will be a fixed (*i.e.*, will not vary by customer) time period of January 1, 2026 (Phase-In Year 1) until December 31, 2030 (Phase-In Year 5). On January 1, 2031, full Standby Rates will go into effect for all Phase-In customers.

Delivery Rates for a Phase-In Year will be calculated as the delta between a customer’s (1) Parent Service Classification rate, and (2) applicable Standby Rate, with the following formulas for Phase-In Year One:

$$\text{Phase-In Year 1 (2026): Parent Service Class Delivery Rate Revenue} + (\text{Standby Delivery Rate Revenue} - \text{Parent Service Class Delivery Rate Revenue})/6$$

The Authority proposes to designate customers that are not required to take Standby Service, but elect to opt in as “Optional Rate Customers.” Once a customer opts in, such customer would be required to have Advanced Metering Infrastructure (“AMI meter”). Optional Rate customers can switch back to applicable non-Standby rates available to them at any time, however, to avoid customers switching to take advantage of seasonal fluctuations in rate design, Optional Rate customers that switch back to a non-time-varying flat rate will not be allowed on Standby rates or other time-varying rate code for a period of not less than one year.

The proposed Standby Rates are comprised of three elements:

(1) Service Charge

- Fixed monthly charge
- Designed to recover customer related costs
- Equivalent to the Service Charge of the Otherwise Applicable Service Class (“OASC”)

(2) Contract Demand Charge

- Designed to recover costs associated with “Local” facilities (i.e., facilities that are closer to a customer’s site and were put in place primarily to serve the individual customer)
- Based on individual customer’s maximum demand
- Calculated by dividing the revenue requirement to be collected through the Contract Demand Charge by the Contract Demand billing determinants

(3) As-Used Daily Demand Charge

- Designed to recover costs associated with “Shared” facilities (i.e., delivery system facilities located farther from customer sites, the costs of which would be recovered in a manner that recognizes the customer’s overall demand)
- Based on daily Peak (in summer months) and Off-Peak demands measured at the meter
- Peak and Off-Peak As-Used Daily Demand Charges ratio is set to 1.25 to 1 and results in a summer to winter demand rate ratio of 2.25

The As-Used Daily Demand Charges have a Time-of-Use component with 3 periods: Peak, Off-Peak and Super Off-Peak. The Super Off-Peak period will not incur As-Used Daily Demand Charges.

Time Period	Summer (June-September)	Winter (October-May)
Peak	3 PM – 7 PM, M-F (excluding Federal Holidays)	N/A
Off-Peak	8 AM – 3 PM and 7 PM – 10 PM, M-F, 8 AM – 10 PM, S-S and Federal Holidays	8 AM – 10 PM, Every day
Super Off-Peak	10 PM – 8 AM, Every day	10 PM – 8 AM, Every day

For mid and large commercial customers, the Authority will measure the usage during each 15-minute interval of an hour and then multiply the largest of the 15-minute interval by 4 to determine hourly demand (kW). Hourly usage (kWh) is the sum of the usage during each 15-minute interval of an hour.

For mass market customers, the Authority proposes to use a 60-minute demand interval calculated by adding the four 15-minute intervals in the hour to measure both energy and demand. The mass market customers' Contract Demand (kW) will be set using the maximum 60-minute demand measurement over the last 24 months, with adjustments going forward if the customer's maximum demand is metered to be higher.

Standby Service customers that qualify for Rate 285¹⁸ and that take electric supply service from the Authority will be billed for supply on an hourly market priced basis (LBMP), including capacity charges based on a customer's individually assigned capacity tag.

Updates to Buyback Service

The Authority proposes to make several modifications to the Tariff's Buyback Service provisions, offered under SC 11:

1. Include a Customer Charge and a Buyback Contract Demand Charge for Buyback Service for the customer's injections into the system;
2. Set the required Customer and Contract Demand rates in the Buyback Service provisions of the Tariff to equal those of the applicable Standby Service rates for the customer's requirement of power from the system; and
3. Consistent with the ACOS Order, stand-alone Energy Storage Systems that reach Step 3 in the Small Generator Interconnection Procedures ("SGIP") process before December 31, 2030, will be exempt from Buyback Contract Demand Charges for a period of 15 years beginning on the project's in-service date.

The Buyback Rates will remain under Rate Code 289.

New Rates for Standby Service and Updates to Buyback Service: Financial Impact

The proposed Standby and Buyback rates are designed on a revenue neutral basis to the OASC, using 2024 load research data currently available. The Authority analyzed bill impacts of the proposed rates for its existing customers that will be assigned to Standby Service on a mandatory basis. Out of these 72 customers, 15 could experience delivery bill decreases and 57 customers could experience significant delivery bill increases. Considering the Phase-in Standby Rates, the 2026 net revenue increase is projected to be \$346,361 for the existing customers that will be assigned to Standby Service on a mandatory basis.

New Rates for Standby Service and Updates to Buyback Service: Stakeholder Comments

Three public comment sessions were held on LIPA's tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

After its review, DPS supports LIPA's proposal to introduce Standby Service Rates and to modify its Buyback Service rates. and recommends adoption of this proposal with suggested minor edits to the Tariff language for further clarification. DPS recommended edits include:

1. On Tariff Leaf Nos. 264I and 264J, concerning demand measurement, "... shall be determined as the sum of the four 15-minute *demands* in an hour..." should read "... determined as the sum of the four 15-minute *intervals* in an hour..." (*emphasis added*)
2. On Leaf No. 264A in section P.1(e), language regarding the proposed treatment of Optional Rate Customers should be explicitly included as follows:
"e) Customers that opt into SC-12, who do not otherwise meet the requirements of Standby Service ("Optional Rate Customers"). Any customer may opt into SC-12 with the exception of SC-5, SC-7, SC-10, SC-13 customers, unmetered customers and non-AMI metered customers. *Optional Rate Customers can switch back to applicable non-Standby rates available to them at any time, however, to avoid customers switching to take advantage of seasonal fluctuations in rate design, Optional Rate Customers that switch back to a non-time-varying flat rate will not be allowed on Standby rates or other time- varying rate code for a period of not less than one year.*" (*emphasis added*).
3. On Tariff Leaf 264D section P.4 "Exemptions from SC-12," language should be modified as stated below:
"The following customers shall not be subject to SC-12, but shall be served under the customer's otherwise applicable service classification unless customers make a one-time irrevocable election *to forfeit or refuse the exemption* and join the Standby Rate or the in-progress Phase-In period of Standby Rates, identified in SC-12.14.g if still applicable..." (*emphasis added*).

LIPA Staff Response:

LIPA Staff agrees with the minor edits DPS recommends.

Sub/Transmission Service: Background

LIPA's electric lines are categorized by the voltage they carry and include lower voltage distribution lines for residential and small businesses use and higher voltage transmission lines for large commercial use. These electric lines can be further classified into three categories: secondary (low voltage), primary (medium voltage) and transmission (high voltage).

Primary distribution lines carry electricity from a distribution substation to either a smaller distribution station or directly to large industrial or commercial customers. Secondary distribution lines carry electricity from a distribution station to individual customers such as homes and businesses. Transmission lines, or high voltage lines, carry electricity from a

generating station to a substation. Transmission customers take service directly from a transmission substation.

Customers who directly connect to the Authority's higher voltage transmission lines pay lower rates because they do not need to utilize the Authority's lower voltage distribution lines. The Tariff currently assigns transmission rates for customers taking service at or above 69,000 volts. However, the more appropriate breakpoint between primary lines and transmission lines, for rate purposes only, is 23,000 volts, which better aligns with LIPA's transmission and distribution system configurations.

This proposal also introduces an IA requirement for customers taking service at or above 23,000 volts. IAs ensure safe, reliable and efficient interconnection between customers and the Authority by establishing clear guidelines and processes for connecting to the grid. Currently, IAs are required for customers that connect new generators to the Authority's grid, as outlined in the Small Generator Interconnection Procedures ("SGIP"). Staff is proposing to also require IAs for customers taking service at or above 23,000 volts, which are normally very large customers (*i.e.* data centers), that may negatively affect LIPA's operations if they were to disconnect or turn on without notice. The IA requirement would better protect the Authority's system from stranded assets, establish consistent operations and maintenance requirements, and provide more reliable service for customers.

Sub/Transmission Service: Proposed Action

LIPA Staff proposes to modify the Tariff to begin charging Sub/Transmission level rates for customers connected to LIPA's system at 23,000 kVa or higher. This change will better align customer rate assignments with LIPA's current transmission and distribution system configurations, by setting the break point between Primary Service rates and Sub/Transmission rates at 23,000 volts. As such, customers at the 23,000 and 33,000 voltage levels will move from Primary rates to Sub/Transmission rates. The proposed voltage level groupings, for rate purposes only, are as follows:

<u>Rate Category</u>		<u>Voltage Level</u>		
Sub/Transmission		Above 23,000 volts		
Primary		2,400/4,160 - 7,620/13,200/20 volts		
Secondary		120/208 – 277/480 volts		
<u>Service Classification</u>	<u>Service Level</u>	<u>Current Voltages Served</u>	<u>New Voltages Served</u>	<u>Description of Change</u>
<u>SC 2-L: General Service - Large</u> (Rates 281, 283, 291) (usage 7kW - 145kW) (See Leaves 204, 205)	Primary	2,400/4,160; 7,620/13,200; 23,000 volts; or 33,000 volts	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay Sub/Trans. rates
<u>SC 2L-VMRP: Voluntary Large Demand Metered Service with Multiple Rate Periods</u> (Rate Codes 282, 294) (usage 7kW - 145kW) (See Leaves 211, 213)	Primary	2,400/4,160; 7,620/13,200; 23,000 volts; or 33,000 volts	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay Sub/Trans. rates
<u>SC 2-MRP: Large Multiple Rate Periods</u> (Rate Codes 284, 285, M284, M285) (usage over 145kW) (See Leaves 225, 226, 230)	Primary	2,400/4,160; 7,620/13,200; 23,000 volts; or 33,000 volts	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay Sub/Trans. rates
	Trans.	69,000 volts or higher	23,000 volts or higher	
<u>SC 11: Buy-Back Service</u> (Rate Code 289) (See Leaf 252)	Sub-trans.	23,000 volts; 33,000 volts; or 69,000 volts	23,000 volts or higher	Combine Sub-trans. and Trans.
	Trans.	138,000 volts or higher		
<u>SC 13: Negotiated Rate Service for Large Commercial Customers</u>	Primary	2,400/4,160; 7,620/13,200 volts or higher	2,400/4,160; 7,620/13,200	Customers above 23,000 volts will pay
<u>Service Classification</u>	<u>Service Level</u>	<u>Current Voltages Served</u>	<u>New Voltages Served</u>	<u>Description of Change</u>
(Rate Code 278) (See Leaf 271)				Sub/Trans. rates

The Service Classifications that will be affected by this change are: SC No. 2-L: General Service– Large; SC 2L-VMRP: Voluntary Large Demand Metered Service with Multiple Rate Periods; SC 2-MRP: Large Multiple Rate Periods; SC 13 – Negotiated Rate Service for Large Commercial customers. The chart below outlines the proposed changes for each service classification.

Staff also proposes adding an IA requirement for new Non-Residential Applicants that request service at or above 23,000 volts. Such applicants will be required to enter into an interconnection agreement that includes, but not [be] limited to, clauses that address the Interconnection of the customer, Ownership, Design of Interconnection Equipment, Operation and Maintenance of the Interconnection equipment, Inspection and Access Rights to customer-owned property to service the Interconnection equipment, Events of

Default/Termination, Indemnity of the utility for customer own equipment, and Force Majeure/Planned outage notification requirements.

Sub/Transmission Service: Financial Impact

The proposal will not have a material financial impact on the Authority or customers. All current customers are assigned to the correct rates for their voltage and the requirement for an Interconnection Agreement for new Sub/Transmission customers will have no financial impact on customers' rates.

Sub/Transmission Service: Stakeholder Comments

Three public comment sessions were held on LIPA's Tariff proposals and written comments were also solicited from interested stakeholders. LIPA didn't receive public comments related to the proposed tariff changes.

Upon completion of its review, DPS believes this proposal improves the alignment between LIPA's rates and the electric grid's attributes and will also enhance system reliability and recommends that the Board adopt the proposal as proposed.

Public Comments

LIPA held three public comment sessions on the proposed tariff changes on November 18, 2025, and November 24, 2025, and solicited written comments through November 29, 2025. Transcripts of the public comment sessions and a compendium of written comments received are attached as exhibits, and the comments are summarized above, together with responses from LIPA Staff.

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.

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the following resolutions were unanimously approved by the Trustees.

1941. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO ENERGY AFFORDABILITY GUARANTEE ("EAG") PILOT PROGRAM

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board also has adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board's commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 24, 2025, public hearings were held on November 18, 2025 in the Rockaways, on November 24, 2025 in Suffolk County, in person, and in Nassau County, in person, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

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 January 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and 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.

1942. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO OPTION FOR RECHARGE NEW YORK CUSTOMERS TO PARTICIPATE IN THE LONG ISLAND CHOICE

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board's commitment to achieving a zero-carbon electric grid by

2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 24, 2025, public hearings were held on November 18, 2025 in the Rockaways, on November 24, 2025 in Suffolk County, in person, and in Nassau County, in person, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

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 January 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and 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.

1943. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO NEW RATES FOR STANDBY SERVICE AND UPDATES TO BUYBACK SERVICE

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board's commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal with DPS' recommended minor modifications discussed in the accompanying memorandum; and

WHEREAS, following the issuance of public notice in the State Register on September 24, 2025, public hearings were held on November 18, 2025 in the Rockaways, on November 24, 2025 in Suffolk County, in person, and in Nassau County, in person, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications with DPS' recommended minor modifications discussed in the accompanying memorandum to LIPA's Tariff are hereby adopted and approved to be effective January 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and 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.

Chair Edwards stated that the next item on the agenda was the Consideration of Approval of Tariff Change Related to Household Assistance Rate Program Enrollment to be presented by Suzanne Brienza.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees ("Board") of the Long Island Power Authority ("LIPA") is requested to approve the following proposal to modify the LIPA's Tariff for Electric Service:

- **Household Assistance Rate ("HAR") Program Enrollment: Modifying LIPA's Tariff for Electric Service on an *emergency basis* and effective immediately, to pause customer disenrollments in LIPA's Household Assistance Rate ("HAR") Program, and to extend the lookback period for LIPA's HAR Program eligibility to eighteen (18) months.**

HAR Program Enrollment: Background

On October 1, 2025, the United States federal government shut down due to Congress's inability to pass appropriations, resulting in uncertainty over the status of many federally funded programs. On October 30, 2025, New York State Governor Kathy Hochul issued Executive Order 54, which declared a statewide emergency due to the interruption in certain federally funded benefits that are estimated to result in the disruption of benefits for nearly three (3) million New Yorkers.

The Household Assistance Rate, part of New York State's Energy Affordability Program, provides reduced electric rates to customers who receive certain federally funded benefits. The shutdown disrupted federal funding and delayed the verification process managed by the New York State Office of Temporary and Disability Assistance, leaving many eligible households unable to recertify their benefits.

Pursuant to the Tariff, customers that provide documentation of enrollment in certain public assistance programs are eligible for the HAR Program which provides reduced electric rates to customers through a fixed discount on their electric bill. The Tariff requires Program participants to renew eligibility and enrollment every fourteen (14) months. The Tariff further provides that the Authority may extend the time to enroll in the event a state of emergency affecting the service territory is declared. Additionally, the Tariff provides for a twelve-month "lookback period" which requires that Program participants submit qualifying documentation dated no earlier than twelve (12) months prior to the date of HAR Program application or renewal.

On November 12, 2025, the Authority's Board of Trustees adopted a resolution temporarily pausing customer disenrollment from LIPA's HAR Program and temporarily suspending service disconnections for low and moderate-income customers within LIPA's service territory who are affected by the federal government shutdown and resulting State of Emergency up to and through December 17, 2025.

On November 13, 2025, the New York State Public Service Commission issued its Order Pausing Customer Disenrollments in Utility Energy Affordability Programs (the "Order") which, in relevant part, directed the regulated utilities to: 1) pause EAP disenrollments through November 30, 2026; and 2) file tariff amendments to extend, or where applicable, state that the lookback period for EAP eligibility to 18 months. LIPA's EAP Program is known as HAR.

HAR Program Enrollment: Proposed Action

To provide LIPA customers with the same rights and protections provided to other utility customers in the State that resulted from the Order, LIPA staff filed a Notice of Proposed Rulemaking with the State Register on December 9, 2025 to modify its tariff on a permanent basis to pause HAR Program disenrollments through November 30, 2026, and to extend the lookback period for LIPA's HAR Program eligibility to eighteen (18) months. The Notice will be published in the State Register on December 24, 2025. Public Statement Hearings are scheduled to take place on February 23, 2026, in person and virtually in Nassau and

Suffolk Counties. LIPA staff will bring this tariff proposal to the Board of Trustees for their approval at its March 25, 2026, meeting.

In order to avoid any gap between the adopted Board resolution that temporarily paused customer disenrollment from the HAR Program through December 17, 2025, and the March 25, 2026 Board meeting when LIPA staff will present this tariff change on a permanent basis, LIPA staff seeks to implement these tariff changes on an emergency basis. Specifically, the Tariff will be amended to state that HAR Program disenrollments will be paused through November 30, 2026, and that customers will be eligible for the HAR Program if they provide documentation of enrollment in a qualifying program in the preceding 18 months, an increase from the current lookback period of 12 months.

The proposed changes before you today are pursuant to the emergency rulemaking provisions of the State Administrative Procedures Act (“SAPA”) and, if approved, will be effective for 90 days from December 17, 2025. LIPA Staff further requests that the Trustees grant Staff the discretion to extend the 90-day provision if needed, in accordance with the SAPA emergency rulemaking provision.

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees unanimously approved the following resolution.

1944. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO HOUSEHOLD ASSISTANCE RATE (“HAR”) PROGRAM

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, on November 13, 2025, the New York State Public Service Commission issued its Order Pausing Customer Disenrollments in Utility Energy Affordability Programs (the “Order”) which, in relevant part, directed the regulated utilities to: 1) pause EAP disenrollments through November 30, 2026; and 2) file tariff amendments to extend, or where applicable, state that the lookback period for EAP eligibility to 18 months. LIPA’s EAP is known as LIPA’s Household Assistance Rate (“HAR”); and

WHEREAS, in order to provide LIPA customers with the same rights and protections provided to other utility customers in the State that resulted from the November 13, 2025 Order, LIPA staff filed a Notice of Proposed Rulemaking with the State Register on December 9, 2025, to modify its tariff on a permanent basis to pause HAR Program disenrollments

through November 30, 2026, and to extend the lookback period for LIPA's HAR Program eligibility to eighteen (18) months. The Notice will be published in the State Register on December 24, 2025. Public Statement Hearings are scheduled to take place on February 23, 2026, in person and virtually in Nassau and Suffolk Counties. LIPA staff will bring this tariff proposal to the Board of Trustees for their approval at its March 25, 2026, meeting, and

WHEREAS, these changes are proposed on an emergency basis to help protect the general welfare of LIPAs customers and the associated economic impacts resulting from the federal shutdown that began on October 1, 2025 which created a delay in the disbursements of Low-Income Home Energy Assistance Programs such as HAR; and

WHEREAS, to avoid any potential gap between the adopted Board resolution that temporarily paused customer disenrollment from the HAR Program through December 17, 2025 and the March 25, 2026 Board meeting when LIPA staff will present this tariff change on a permanent basis, LIPA staff seeks to implement these tariff changes on an emergency basis; and

WHEREAS, the Board has reviewed the emergency proposal and determined that the proposal is necessary for the preservation of the general welfare of its customers and is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

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 immediately; and be it further

RESOLVED, that the Chief Executive Officer and her 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.

Chair Edwards stated that the next item on the agenda was the Consideration of Approval of LIPA's Methodology for Updating the Formula Rate for LIPA's Components of the Wholesale Transmission Service Charge to be presented by William Wai.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve the proposed changes to the formula rate used for the calculation of LIPA’s components of the Wholesale Transmission Service Charge (“TSC”) in accordance with the provisions under the New York Independent System Operator (“NYISO”) Open Access Transmission Tariff (“OATT”) relating to LIPA, as a non-jurisdictional governmental utility. In accordance with the NYISO OATT, the TSC rate is currently billed to Wholesale Transmission Customers (Freeport, Rockville Centre, and NYPA for Greenport) that withdraw electricity from the New York State Transmission System in LIPA’s service area.

Background

Attachment H of the NYISO OATT specifies the TSC applies to wholesale transmission service using a transmission owner’s facilities. The Wholesale TSC includes a separate component to recover the costs of LIPA’s transmission facilities. The Wholesale TSC is charged to applicable wholesale transmission customers, and not to retail electricity customers subject to LIPA’s Tariff for Electric Service.

Currently, LIPA’s wholesale TSC consists of three base components calculated by LIPA. The three base components calculated by LIPA are (1) Revenue Requirement (“RR”); (2) Scheduling Control Center and Dispatch Costs (“CCC”); and (3) Billing Units (“BU”). There are also four revenue credit components under the NYISO tariff¹ “formula rate,” which are calculated by NYISO, and collected by LIPA under the Wholesale TSC formula rate.

The Board is now being requested to approve LIPA’s Proposal (a copy of which is annexed to the attached resolution as Exhibit “A”) to update the formula rate used to calculate the three LIPA TSC components for future applications by LIPA Staff.

Description of LIPA’s Proposed Tariff Revisions

As described in Section 14.1.2 of Attachment H of the NYISO OATT, LIPA’s rates are not under the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) but its TSC components are included in the NYISO OATT. At LIPA’s request, NYISO will submit to FERC any changes to Table 1 in Section 14.1.4 of Attachment H to the OATT to revise LIPA’s RR, CCC, BU, and the resulting base TSC rate. Because of LIPA’s non-jurisdictional status, FERC evaluates LIPA’s TSC rate under the “comparability standard.”

LIPA’s Wholesale TSC, RR, CCC, and BU components are calculated pursuant to a formula rate first approved by LIPA’s Board in 2003 pursuant to the New York State Administrative Procedures Act and Article 5, Title I-A of the New York Public Authorities Law, Section 1020-f(u) and 1020-s (“Formula Rate”). LIPA’s updated RR, CCC, and BU inputs and resulting LIPA TSC rate are included in section 14.1 Transmission Service Charge (“TSC”) of the OATT set forth for illustration purposes with redlines in

Exhibit “A”. Specifically, Table 1 in Section 14.1.4 of Attachment H of the NYISO OATT will be revised to reflect the updated RR, CC, and BU components.

There are two additional modifications to the calculation of LIPA’s annual RR. First, the cost of capital used to calculate the RR would be based on LIPA’s Weighted Average Cost of Capital (“WACC”) instead of LIPA’s Cost of Debt used in the Board’s approved 2003 methodology. Second, the definitions of “Net Transmission Plant” and “Adjusted Net Transmission Plant” would be modified to exclude transmission assets related to interconnecting the power plant resources (including generation and energy storage) paid by LIPA’s retail customers³ and transmission plants associated with delivering Off-Island power to the LIPA System, *i.e.*, over the Neptune, Cross Sound and Y50 cables.

Additionally, LIPA will (i) remove certain grandfathered transmission agreements that have since expired or terminated from the Formula Rate transmission revenue credit calculation and (ii) add monthly congestion payments (“CCR”) and monthly sales of residual TCCs (SR1) to the Formula Rate methodology.

The changes described herein will continue to ensure that LIPA is able to recover its wholesale transmission costs in a manner that is consistent with other transmission owners in the State. To ensure that such updates are appropriately implemented, this proposal provides that the LIPA CEO or their designee oversee and review the calculation of the three updated LIPA TSC components biennially. Upon a determination that the TSC components have been properly calculated under the Formula Rate, LIPA staff, under the oversight of the CEO or their designee, would be authorized to undertake all necessary actions to ensure that such LIPA TSC updates are incorporated into NYISO OATT and reflected in LIPA’s TSC that is billed to its wholesale transmission customers.

Recommendation

As such, the Board is requested to approve LIPA’s updates to the RR, CCC and BU formula rate components, as described herein and in Exhibit “A”, to calculate LIPA’s components of the wholesale TSC and to authorize LIPA staff to take all necessary actions to implement such updates to become effective as of January 1, 2026.

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees unanimously approved the following resolution.

1945. APPROVAL OF THE ADOPTION OF A FORMULA RATE FOR THE CALCULATION OF LIPA’S COMPONENTS OF THE NYISO WHOLESALE TRANSMISSION SERVICE CHARGE

WHEREAS, as a member of the New York Independent System Operator (“NYISO”), the Long Island Power Authority (“LIPA” or the “Authority”) agreed to provide wholesale transmission service over LIPA’s transmission facilities to eligible customers; and

WHEREAS, the Proposal to modify LIPA’s Wholesale Transmission Charge (“TSC”) recommends the continued use of a formula rate, including LIPA’s Revenue Requirement, Control Center Costs, and Billing Units components (as described in the “Procedures for Calculating the Components of the Transmission Service Charge”) to calculate LIPA’s components of the wholesale TSC which are incorporated with four NYISO revenue credit components to set the TSC charges collected by LIPA for its wholesale transmission service to eligible customers; and

WHEREAS, the approval by the Authority’s Trustees of the specific formula rate methodology for the TSC will make clear the rate development process by specifying in the “Procedures for Calculating the Components of the Transmission Service Charge” and is modeled after the NYISO-approved formula with the data inputs from LIPA to be used in deriving the LIPA-calculated components of the TSC; and with such approval, the Trustees would not be required to approve the specific values calculated under the formula, but would afford the staff specific direction on how to update LIPA’s wholesale components to be posted in the NYISO Tariff; and

WHEREAS, a filing with the Federal Energy Regulatory Commission (“FERC”) is required to modify the NYISO OATT for the Revenue Requirement (“RR”), scheduling system control and dispatch costs (“CCC”), billing units (“BU”), and resulting TSC rate stated therein, and at the request of LIPA, NYISO makes such filings with FERC, on behalf of LIPA, to modify LIPA’s RR, CCC, and BU components of LIPA’s TSC Wholesale Rate in accordance with the provisions of the NYISO OATT and subject to FERC’s policy of reviewing LIPA’s non-jurisdictional rates based on a comparability standard; and

WHEREAS, the Return Rate used to calculate the RR would be based on LIPA’s Weighted Average Cost of Capital (“WACC”) instead of LIPA’s Cost of Debt used in the Board’s approved 2003 methodology; and

WHEREAS, the definitions of “Net Transmission Plant” and “Adjusted Net Transmission Plant” would be modified to exclude transmission assets related to interconnecting the power plant resources (including generation and energy storage) paid by LIPA’s retail customers and transmission plants associated with delivering Off-Island power to the LIPA System, *i.e.*, over the Neptune, Cross Sound and Y50 cables; and

WHEREAS, the grandfathered transmission agreements that have since expired or terminated would be removed from the Formula Rate transmission revenue credit calculation; and

WHEREAS, the monthly congestion payments (“CCR”) and monthly sales of residual TCCs (SR1) would be added to the Formula Rate methodology;

NOW, THEREFORE, BE IT RESOLVED, for the reasons given herein and in the accompanying Memorandum, the Proposal is hereby approved, and the Chairman or her designee are hereby authorized and directed to undertake such actions as are necessary to

implement the use of the aforementioned formula rate methodology to calculate LIPA's components of the wholesale TSC under the NYISO OATT and to take all necessary actions to include such updates in the NYISO Tariff.

Chair Edwards stated that the next item on the agenda was the PSEG Long Island Operating Report to be presented by David Lyons and PSEG Long Island staff.

Mr. Lyons and staff presented the PSEG Long Island Operating Report and took questions from the Trustees.

Chair Edwards stated that the next item on the agenda was the Consideration of Approval of Extension of Agreement with Neptune Regional Transmission System, LLC to be presented by Gary Stephenson.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to approve a resolution authorizing the Chief Executive Officer or her designee to execute an agreement for a three-year extension of the Firm Transmission Capacity Purchase Agreement ("FTCPA") between Neptune Regional Transmission System, LLC and the Long Island Lighting Company d/b/a LIPA, a wholly owned subsidiary of the Long Island Power Authority (collectively "LIPA"), which resolution is attached hereto as Exhibit "A".

Background

Since 2007, LIPA has purchased firm transmission service over the Neptune Cable Project ("Neptune"), a 500-kilovolt, direct current cable between converter stations in Sayreville, New Jersey and North Hempstead, Long Island. LIPA uses the Neptune transmission capability to import up to 660 MW of electric energy and capacity from the PJM Interconnection, which operates the competitive wholesale electricity market for a region that includes parts of 13 states and the District of Columbia, to the LIPA grid on Long Island. The energy is sourced from the PJM energy market and the capacity is sourced from the Marcus Hook Power Plant, an 836 MW gas-fired power station located in Marcus Hook, Pennsylvania, pursuant to a capacity purchase agreement ("CPA") for 685 MW between LIPA and the owners of Marcus Hook.

LIPA anticipates an ongoing need for the Marcus Hook capacity and PJM energy delivered over the Neptune cable beyond the June 29, 2027 termination date for the existing FTCPA.

Neptune has identified significant upgrades that will be needed to maintain reliable import capability in the long run and is seeking a long-term transmission service arrangement that will support financing the capital investments required to upgrade the facility after 20 years in service. LIPA has issued an RFP for PJM-based capacity and energy with the primary goal to continue importing capacity after the CPA with Marcus Hook expires on June 30, 2030. Responses to the RFP are due in January 2026. The responses to the RFP will be analyzed before possibly agreeing to a long-term extension of the FTCPA Agreement with Neptune that would supersede the extension here requested. For now, LIPA and Neptune have agreed on a three-year extension of the FTCPA agreement that aligns the expiration of the FTCPA with the expiration of the Marcus Hook CPA. If Neptune and LIPA negotiate and enter into the longer-term extension, it will supersede this three-year extension.

Extending the FTCPA Agreement at this time will allow Marcus Hook to “delist” from the PJM capacity market ahead of PJM’s 2027/28 Base Residual Auction occurring in December 2025. Delisting from the PJM capacity market is essential both for PJM planning purposes and for NYISO to credit the Marcus Hook capacity against LIPA’s Long Island locational capacity requirement established through the NYISO Comprehensive Reliability Planning Process.

Discussion

The proposed extension of the LIPA-Neptune FTCPA will enable LIPA to continue to import reliable power supply from PJM to meet the needs of LIPA’s customers while satisfying NYISO planning criteria. Recent studies conducted by PSEG Long Island and the NYISO demonstrate an ongoing need to maintain firm PJM imports with no ready replacement power available for the foreseeable future due to contract cancellations and delays for multiple projects previously planned for Long Island, including construction delays of the Sunrise Wind project and several contracted utility-scale storage systems that remain subject to ongoing Long Island town moratoria on new Li-Ion battery projects.

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.

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees unanimously approved the following resolution.

1946. AUTHORIZATION TO EXECUTE AN AGREEMENT FOR AN EXTENSION OF THE FIRM TRANSMISSION CAPACITY PURCHASE AGREEMENT WITH NEPTUNE REGIONAL TRANSMISSION SYSTEM, LLC

WHEREAS, LIPA and its predecessor LILCO have paid for transmission service on the Neptune Cable since 2007 pursuant to a Firm Transmission Capacity Purchase Agreement

between LIPA and Neptune Regional Transmission System, LLC that is set to expire on June 29, 2027; and

WHEREAS, PSEG Long Island has negotiated a three-year extension of the FTCPA under favorable terms and conditions which enable LIPA to continue to benefit from the power import capability provided by the cable.

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

Chair Edwards stated that the last item on the agenda was the Consideration of Approval of a Memorandum of Understanding with the Housing Trust Fund Corporation to be presented by Gary Stephenson.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to authorize the Chief Executive Officer or her designee to execute a memorandum of understanding (“MOU”) with the New York State Housing Trust Fund Corporation (“NYSHTF”) to fund the incremental cost of building weatherization and electrification of low-income multi-family buildings being renovated as part of Homes and Community Renewal (“HCR”) program.

Background

New York State, through the Climate Leadership and Community Protection Act of 2019 and further executive action by the Governor, includes specific goals around building electrification and home weatherization – all to support a reduction in greenhouse gas emissions in the State. The CLCPA also directs that at least 35% of overall benefits from investments in energy efficiency should be directed to historically disadvantaged communities. LIPA continues to operate incentive programs targeted at these goals and has identified a partnership opportunity with HCR to advance these goals through existing programs that will allow LIPA funding to support weatherization and electrification efforts at low-income multi-family renovation projects in LIPA’s service territory.

Discussion

The New York State Homes and Community Renewal Agency (HCR) is the State’s affordable housing agency, with a mission to build, preserve, and protect affordable housing

and increase homeownership throughout New York State. Their work includes financing the preservation and renovation of affordable multi-family rental housing using tax-exempt and taxable bonds, State and Federal Low Income Housing Tax Credits, and loan programs that support New York's housing priorities. HCR is actively working with multi-family developments in LIPA's service territory.

LIPA staff determined that directing program dollars into HCR's existing programs could accelerate LIPA's efforts to engage existing multi-family buildings with building electrification and weatherization programs. This money would be used by HCR to offset the costs of heat pump and weatherization upgrades in projects that they would otherwise be supporting in other ways.

LIPA anticipates that this approach will yield results at a lower programmatic cost than current program efforts.

LIPA staff proposes to allocate \$2.7 million in program budget to HCR for the 2026 calendar year for this purpose. That money would be spent primarily on direct incentives to projects, with a small amount of money for quality assurance and checks on completed projects and administrative costs incurred by HCR. During the 2026 program year, LIPA staff will evaluate the experience with HCR and benchmark its performance against the performance of the existing programs.

Recommendation

Based on the foregoing, I recommend that the Trustees authorize the Chief Executive Officer or her designee to take all actions, including, without limitation, executing the MOU with NYSHTF as described above.

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees unanimously approved the following resolutions.

1947. AUTHORIZATION TO EXECUTE A MEMORANDUM OF UNDERSTANDING ("MOU") WITH NEW YORK STATE HOUSING TRUST FUND CORPORATION (NYSHTF) FOR FUNDING FOR THE HOMES AND COMMUNITY RENEWAL PROGRAM

WHEREAS, LIPA and NYSHTF are in the process of negotiating the MOU relating to funding for NYSHTF's Homes and Community Renewal program; and

WHEREAS, the total cost of the contribution by LIPA is calculated to be up to \$2.7 million in calendar year 2026.

NOW, THEREFORE, BE IT RESOLVED, that the Chief Executive Officer or her designee be and hereby is authorized to execute and effect an MOU with NYSHTF consistent with the

terms of the accompanying memorandum, and to perform such other acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or her designee, to implement LIPA's participation in the Program.

Chair Edwards then announced that the next Board meeting is scheduled for Wednesday, January 28, 2026.

Chair Edwards 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:

1948. 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 12:31 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.
