

FOR CONSIDERATION

May 20, 2026

TO: The Board of Trustees

FROM: Carrie Meek Gallagher

SUBJECT: Authorization to Execute Capacity Purchase Agreements with Berkshire Power Company, LLC, Millennium Power Company, LLC, and Salem Harbor Power Development LP

Requested Action

The Board of Trustees (the “Board” or “Trustees”) is requested to adopt a resolution authorizing the Chief Executive Officer or her designee to execute Capacity Purchase Agreements (“CPAs”) with Berkshire Power Company, LLC and Millennium Power Company, LLC, which are owned by Gate City Power and offered to LIPA on common terms and pricing, and with Salem Harbor Power Development LP (“Salem Harbor”), each counterparty individually referenced as “Seller,” and to take such other actions as may be reasonably necessary to implement arrangements for LIPA to purchase a total of 345 MW of installed capacity supplied from Sellers’ power plants located in Massachusetts for a period of five years from May 1, 2027 to April 30, 2032.

Background

LIPA has 330 MW of firm transmission rights on the Cross Sound Cable (“CSC”), a high-voltage direct current undersea cable that interconnects the LIPA transmission system at Shoreham, NY with the ISO-New England transmission system at New Haven, CT, pursuant to a Firm Transmission Capacity Purchase Agreement (“FTCPA”) that expires on June 30, 2032. LIPA has used its firm transmission rights to import energy and capacity over CSC since 2006 and anticipates a continuing need to fully utilize the cable capacity for the remaining term of the FTCPA. Currently, LIPA uses the cable to source economically priced energy from the market administered by ISO-NE and separately, capacity from Millennium Power Company, LLC under a CPA that expires on April 30, 2027.

On October 24, 2025, PSEG Long Island issued a Request for Proposals (“RFP”) to procure up to 345 MW¹ of installed capacity in ISO-New England for a period of five years from the expiration of the current CPA with Millenium to the final year of the FTCPA, i.e. from May 1, 2027 to April 30, 2032². LIPA intends to use the capacity to meet its in-State and locational (i.e., Long Island) installed capacity requirements, which are set by the New York Independent System Operator (“NYISO”).

1 345 MW of ISO-New England capacity provides the equivalent of 330 MW of Long Island capacity after accounting for transmission losses.

2 The term of the requested CPAs runs from May 1st through April 30th to coincide with NYISO “capability years,” which are used to plan, auction, and manage statewide electricity capacity.

PSEG Long Island convened an RFP Selection Committee (“SC”) to review RFP responses received by the submittal deadline on December 18, 2025. Based on its review of responsive proposals, the SC invited Gate City and Salem Harbor to submit best-and-final offers. The table below shows the amounts of capacity selected for contract awards from the selected bidders for each of the NYISO capability planning years covered by the RFP. The proposed contract awards represent the least-cost portfolio of ISO-NE capacity purchases based on the offers received, and satisfy the technical requirements established for the procurement.

	Installed MW	MW Selected in LIPA’s RFP				
		CY27-28	CY28-29	CY29-30	CY30-31	CY31-32
Berkshire Power Co., LLC	289	200	150	150	150	150
Millennium Power Co., LLC	360	-	195	195	195	195
Salem Harbor Power Devel. LP	674	145	-	-	-	-
Total		345	345	345	345	345

Each Seller will be responsible under their CPA for compliance with ISO-New England and NYISO rules for selling New England capacity into the New York market. The CPA terms and conditions require each Seller to meet stringent availability targets or incur a reduction in contract capacity payments from LIPA. Moreover, each CPA provides that the Seller will be responsible for indemnifying LIPA for any penalties assessed by NYISO for failure to perform its contractual obligations, which include, among other things, generating energy in response to a NYISO Supplemental Resource Evaluation request. In support of CPA obligations, the RFP required Gate City and Salem Harbor to provide to LIPA security in the amount of thirty (30) percent of the notional value of their respective CPAs.

The estimated total cost to LIPA of the CPAs over the 5-year purchase period is \$122 million.

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, execution of Capacity Purchase Agreements with Berkshire Power Company, LLC, Millennium Power Company, LLC, and Salem Harbor Power Development LP and all other related agreements and actions to enable the Authority’s purchase of capacity as described above. It should be noted that once executed by both parties, the CPAs will be subject to the approval of the New York State Attorney General (as to form) and the Office of the New York State Comptroller.

Attachment

Exhibit “A” Resolution

AUTHORIZATION TO ENTER INTO CAPACITY PURCHASE AGREEMENTS WITH BERKSHIRE POWER COMPANY, LLC, MILLENNIUM POWER COMPANY, LLC, AND SALEM HARBOR POWER DEVELOPMENT LP FOR THE PURCHASE OF INSTALLED CAPACITY

WHEREAS, pursuant to the October 24, 2025 Request for Proposals for ISO New England capacity administered by PSEG Long Island, LIPA staff recommends accepting the selection of proposals submitted by Berkshire Power Company, LLC, Millennium Power Company, LLC, affiliates of Gate City Power – Northeast Generation LLC (“Gate City”), and by Salem Harbor Power Development LP (“Salem Harbor”) to provide a combined total of 345 MW of installed capacity measured at the New Haven interconnection point of the Cross Sound Cable for various terms over a five year period from May 1, 2027 to April 30, 2032; and

WHEREAS, LIPA seeks to enter into Capacity Purchase Agreements (“CPAs”) with: 1) Berkshire Power Company, LLC for 200 MW of installed capacity from May 1, 2027 to April 30, 2028, and for 150 MW from May 1, 2028 to April 30, 2032; 2) Millennium Power Company, LLC for 195 MW of installed capacity from May 1, 2028 to April 30, 2032; and 3) Salem Harbor for 145 MW from May 1, 2027 to April 30, 2028;

NOW, THEREFORE, BE IT RESOLVED, that the Chief Executive Officer and her designee be and hereby are authorized to execute and effect the CPAs and other related agreements and arrangements, consistent with the terms of the accompanying memorandum, and to perform such further acts and deeds as may be necessary, convenient, or appropriate, in the judgment of the Chief Executive Officer or her designee, to implement LIPA’s purchases of installed capacity from Gate City and Salem Harbor.

Dated: May 20, 2026