

## **FOR CONSIDERATION**

September 30, 2026

**TO:** The Oversight and Clean Energy Committee

**FROM:** Carrie Meek Gallagher

**SUBJECT:** Recommendation to Authorize the Execution of an Amendment to a Capacity Purchase Agreement with the New York Power Authority

---

### **Requested Action**

The Oversight and Clean Energy Committee (the “Committee”) of the Board of Trustees is requested to adopt a resolution recommending the authorization of the Chief Executive Officer or her designee to execute an amendment (“Amendment”) to the November 10, 2021 Capacity Purchase Agreement (“CPA”) with the New York Power Authority (“NYPA”) and to take such other actions as may be reasonably necessary to implement arrangements for LIPA to continue to purchase a total of 150 MW of installed capacity supplied from NYPA’s Richard M. Flynn combined cycle generating plant (“Flynn”) located in Holtsville, NY, for a period of fifty-two months from January 1, 2027 to April 30, 2031, with an option to extend for an additional six (6) months, which resolution is attached hereto as **Exhibit “A”**.

### **Background**

Flynn is a dual fuel (i.e., natural gas with oil as a backup), highly-efficient combined cycle generating plant that commenced commercial operation in 1994 under contract to the Long Island Lighting Company, LIPA’s predecessor. LIPA currently purchases the full installed capacity of Flynn pursuant to a CPA that expires on December 31, 2026. LIPA uses the capacity to meet its Long Island locational capacity requirement as set by the NYISO. NYPA retains all rights to the energy produced by Flynn.

Under the proposed Amendment, LIPA will (i) continue to purchase the Flynn installed capacity through an extended term that expires on April 30, 2031, and (ii) have a mutual option to further extend the term of the CPA through October 31, 2031, that must be exercised a year prior to expiration of the extension. The Amendment also includes a minor adjustment to the Guaranteed Availability Percentage and incorporates appropriate changes to the Cost Reimbursement Agreement (CRA) that was part of the original CPA, pursuant to which LIPA reimbursed NYPA for certain Flynn repair costs, with provision for partial refund if NYPA operates the plant beyond the expiration of the CPA. The Amendment will defer and proportionately amortize the CRA refund obligations during the extended term. Except as otherwise noted above, all other terms and conditions of the CPA will remain in effect for the extended term.

The updated contract pricing in the Amendment is reasonable compared to other LIPA power supply contracts.

### **Recommendation**

Based on the foregoing, I recommend that the Committee recommend to the Board of Trustees the authorization of the Chief Executive Officer or her designee to take all actions, including, without limitation, execution of the Amendment to the Capacity Purchase Agreement with NYPA and all other related agreements and actions to enable LIPA's continued purchase of installed capacity as described above. It should be noted that once executed by both parties, the CPA 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

**RECOMMENDATION TO AUTHORIZE AN AMENDMENT TO THE NOVEMBER 10, 2021 CAPACITY PURCHASE AGREEMENT WITH THE NEW YORK POWER AUTHORITY FOR THE PURCHASE OF INSTALLED CAPACITY**

---

**WHEREAS**, LIPA and the New York Power Authority (“NYPA”) are parties to a November 10, 2021 Capacity Purchase Agreement (“CPA”) under which LIPA purchases the full installed capacity of NYPA’s Richard M. Flynn combined cycle generating facility (“Flynn”) for a term that expires on December 31, 2026; and

**WHEREAS**, LIPA seeks to enter into an Amendment to the CPA that would (i) extend the term to April 30, 2031, with a mutual option to further extend the term to October 31, 2031, and (ii) make certain other revisions to the CPA;

**NOW, THEREFORE, BE IT RESOLVED**, that the Oversight and Clean Energy Committee hereby recommends that the Board of Trustees authorize the Chief Executive Officer or her designee to execute and effect the Amendment 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 extend the term for LIPA’s purchase of installed capacity from Flynn.

Dated: September 30, 2026