

FOR CONSIDERATION

September 30, 2026

TO: The Oversight and Clean Energy Committee

FROM: Carrie Meek Gallagher

SUBJECT: Recommendation to Authorize the Execution of Amendment No. 8 to the Contract UD-3S with Constellation Energy Generation, LLC for purchase of power from the James A. FitzPatrick Nuclear Generating Station in Scriba, New York

Requested Action

The Oversight and Clean Energy Committee (the “Committee”) of the Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution recommending that the Board authorize the Chief Executive Officer or her designee to execute Amendment No. 8 to the Contract UD-3S for the Sale of Power (“FitzPatrick PPA”) between LIPA and Constellation Energy Generation, LLC (“Constellation”) for the continued purchase of nuclear energy from the James A. FitzPatrick Nuclear Generating Station (the “Plant”), which resolution is attached hereto as **Exhibit “A”**.

Background

LIPA has purchased power from the Plant since it assumed a legacy power purchase agreement originally executed between New York Power Authority (“NYPA”) and Long Island Lighting Company (“LILCO”) in 1975. The PPA currently supplies approximately six percent of Long Island’s energy requirements. At the time of the original FitzPatrick PPA, LILCO executed transmission service agreements with Niagara Mohawk Power Corporation and the Consolidated Edison Company of New York to deliver energy from FitzPatrick to Long Island. In recognition of these transmission service agreements, the New York Independent System Operator (“NYISO”) awarded LIPA “grandfathered” transmission congestion contracts (“TCCs”) which are valuable financial instruments that provide the financial equivalent of delivering the FitzPatrick energy to Long Island by compensating LIPA for the “congestion” (essentially, the difference in electricity prices less the marginal losses between the FitzPatrick Plant’s location in Scriba, New York and Long Island).

The FitzPatrick PPA is scheduled to expire on December 31, 2026. If the PPA were to expire, LIPA would lose the benefits of the grandfathered TCCs, because LIPA must maintain the PPA to keep the grandfathered transmission service arrangements and the TCCs.

Discussion

In recognition of the impending expiration of the FitzPatrick PPA, and potential loss of the associated TCCs, PSEG Long Island, on behalf of LIPA, and Constellation have negotiated a one-year extension (“Amendment No. 8”), which will begin on January 1, 2027. LIPA will continue to purchase 160 MW of unit contingent baseload energy in the summer and 124 MW in the winter,

amounting to approximately 1.25 million MWh/yr. The other terms and conditions of the PPA remain substantially the same.

The contract price for Amendment No. 8 will be indexed to the hourly energy price at the Fitzpatrick Plant delivery point, which is the same pricing structure used for Amendment No. 7 with a revised index adder. LIPA expects the energy cost savings plus the value of the TCCs will exceed the transmission charges, resulting in net savings to customers. The estimated total cost of Amendment No. 8 to LIPA over the one-year term is approximately \$64 million.

Recommendation

Based on the foregoing, I recommend that the Committee recommend to the Board of Trustees the authorization of the Chief Executive Officer to take all actions, including, without limitation, execution of Amendment No. 8 with Constellation and all other related agreements and actions to enable LIPA's continued purchase of FitzPatrick energy as described above. It should be noted that once executed by both parties, Amendment No. 8 will be subject to the approval of the New York State Attorney General (as to form) and the New York State Office of the State Comptroller.

Attachment

Exhibit "A" Resolution

**RESOLUTION RECOMMENDING THE AUTHORIZATION OF THE EXECUTION OF
AMENDMENT NO. 8 TO CONTRACT UD-3S WITH CONSTELLATION ENERGY**

WHEREAS, LIPA and its predecessor Long Island Lighting Company (“LILCO”) have been purchasing power from the James A. FitzPatrick Nuclear Generating Station in Scriba, New York since 1975 and the current power purchase agreement, Contract UD-3S (“FitzPatrick PPA”), between LIPA and the current plant owner Constellation Energy Generation, LLC is set to expire on December 31, 2026; and

WHEREAS, PSEG Long Island, on behalf of LIPA, has negotiated an extension of the FitzPatrick PPA under favorable terms and conditions that enable the Authority to continue to purchase carbon-free energy to supply approximately six percent of its annual energy requirements (“FitzPatrick PPA Amendment No. 8”).

NOW, THEREFORE, BE IT RESOLVED, that the Oversight and Clean Energy Committee hereby recommends that the Board authorize the Chief Executive Officer or her designee to execute and effect FitzPatrick PPA Amendment No. 8 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 effectuate FitzPatrick PPA Amendment No. 8.

Dated: September 30, 2026