NEW YORK STATE PUBLIC AUTHORITIES CONTROL BOARD

RESOLUTION No. 22-LI-43

APPROVING RESTRUCTURING COST FINANCING ORDERS OF THE LONG ISLAND POWER AUTHORITY

WHEREAS, the New York State Public Authorities Control Board ("PACB"), created pursuant to Chapter 38, Laws of 1976, as amended, has been empowered by Part B of Chapter 173, Laws of New York, 2013, as amended (the "LIPA Reform Act"), to receive applications from the Long Island Power Authority ("the Authority"), for approval of restructuring cost financing orders (as defined in the LIPA Reform Act) by the Authority; and

WHEREAS, Part B of the LIPA Reform Act authorizes the Authority to adopt restructuring cost financing orders and provides that the PACB shall have the power and it shall be its duty to, upon receiving an application for approval of a restructuring cost financing order, within thirty days after receipt of such order, either approve, absent any conditions of approval, or disapprove such restructuring cost financing order based solely on the assumptions and conditions set forth in the restructuring cost financing order and whether such restructuring cost financing order complies with the standards set forth in the LIPA Reform Act and further provides that if the PACB fails to approve or disapprove such restructuring cost
financing order within such thirty day period, the PACB shall be deemed to have approved the restructuring cost financing order; and

WHEREAS, the PACB has received an application (the "Application") from the Authority requesting approval of Restructuring Cost Financing Order No. 6, Restructuring Cost Financing Order No. 7, Restructuring Financing Order No. 8 and Restructuring Cost Financing Order No. 9, each as adopted by the Authority on May 18, 2022 and in the form delivered with such Application (hereinafter, the "New Financing Orders"); and

WHEREAS, pursuant to Section 11 of Part B of the LIPA Reform Act, the only approval (or deemed approval) by PACB in connection with the New Financing Orders is under Section 3 of Part B of the LIPA Reform Act as described above; and

WHEREAS, as more particularly described in the Application, the New Financing Orders, among other things, approve the imposition and collection of Charges (as defined in the New Financing Orders), the payment of Restructuring Costs (as defined in the New Financing Orders), which will consist of the costs of purchasing, redeeming, repaying or defeasing a portion of the Target Debt (as defined in the New Financing Orders) as described in the New Financing Orders ("Debt Retirement Costs"),
the financing of System Resiliency Costs (as defined in the New Financing Orders) and Upfront Financing Costs (as defined in the New Financing Orders) and the financing of Restructuring Costs through the sale of Restructuring Property (as defined in the New Financing Orders) to the Utility Debt Securitization Authority established pursuant to the LIPA Reform Act (the "Securitization Authority") and the issuance of bonds in an aggregate principal amount not to exceed $3,500,000 (the "New Bonds") by the Securitization Authority; and

WHEREAS, Each New Financing Order authorizes the sale of Restructuring Property (as defined in such New Financing Order) to the Securitization Authority by the Authority pursuant to a sale agreement (each, a "Sale Agreement") in exchange for the net proceeds from the sale of the New Bonds issued pursuant to such New Financing Order, less the Upfront Financing Costs financed with the proceeds of such New Bonds; and

WHEREAS, in addition to a Sale Agreement, various other agreements relating to the Restructuring Property and the Charges will be entered into by the Authority or its subsidiary Long Island Lighting Company d/b/a LIPA ("LIPA") pursuant to each New Financing Order, including a Servicing Agreement and an
Administration Agreement, each as described and defined in such New Financing Order; and

WHEREAS, the proceeds of the issuance of the New Bonds issued under each New Financing Order will be applied to the purchase of the Restructuring Property created pursuant to such New Financing Order and to the payment of Restructuring Costs and thereby achieve the refinancing of a portion of the Target Debt and the financing of System Resiliency Costs; and

WHEREAS, each New Financing Order includes a finding that the securitization financing implemented thereunder is expected to result in savings to consumers on a net present value basis and provides a methodology for calculating those savings and provides for the filing of an Issuance Advice Letter with the Authority and the Securitization Authority after the pricing of the New Bonds issued pursuant to such New Financing Order which will, among other things, set forth a calculation of the expected savings to consumers on a net present value basis; and

WHEREAS, each New Financing Order includes a mechanism to require periodic adjustments to Charges established under such New Financing Order to ensure the collection of Charges sufficient to provide for the timely payment of scheduled debt
service on the New Bonds issued pursuant to such Financing Order and all other Ongoing Financing Costs; and

WHEREAS, pursuant to each New Financing Order, the Authority approves the issuance and sale of New Bonds, in one or more series or tranches, to be sold at one or more times pursuant to one or more bond purchase agreements; and

WHEREAS, each New Financing Order contains a determination by the Authority that such New Financing Order meets the requirements of a restructuring cost financing order under the LIPA Reform Act; and

WHEREAS, as provided in the LIPA Reform Act, the State of New York has pledged and agreed that the State will not in any way take or permit any action that limits, alters or impairs the value of Restructuring Property or, except as required by the adjustment mechanism described in a New Financing Order, reduce, alter or impair the Charges that are imposed, collected and remitted for the benefit of the owners of the New Bonds, any assignee, and all financing entities, until any principal, interest and redemption premium in respect of the New Bonds, all Ongoing Financing Costs and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid or performed in full.
WHEREAS, each New Financing Order provides that the New Bonds issued pursuant to such New Financing Order shall be without recourse to the credit or any assets of the Authority or Long Island Lighting Company; and

WHEREAS, as provided in the LIPA Reform Act, the New Bonds shall not constitute a debt, general obligation or a pledge of the faith and credit or taxing power of the State of New York or of any county, municipality or any other political subdivision, agency or instrumentality of the State; and

WHEREAS, the application has been submitted to the Comptroller and he has had the opportunity to comment.

NOW THEREFORE BE IT RESOLVED, that the PACB approves the New Financing Orders in accordance with Section 3 of Part B of the LIPA Reform Act.
This resolution shall become effective immediately.

Robert F. Mujica, Jr., Chair
Public Authorities Control Board

Amy Paulin, Member of the Board

Leroy Comrie, Member of the Board

Date: May 18, 2022
CERTIFICATION

STATE OF NEW YORK
COUNTY OF ALBANY ss.

I, Dylan Williams, Assistant Secretary of the New York State Public Authorities Control Board, do hereby certify that at a meeting of such Board, held on May 18, 2022, the attached resolution was duly adopted by the unanimous vote of the Members of the Board. The resolution attached is a true copy of the resolution and the certification of the determination made by such resolution and of the signatures thereto of each of the Members of the Board or their duly appointed representatives, the original of which is on file in my office. As of the date of this certification, such resolution has not been modified, superseded, amended or repealed and remains in full force and effect.

In witness thereof I have hereunto set my hand this 18th day of May 2022.

Dylan Williams
Assistant Secretary

STATE OF NEW YORK
COUNTY OF ALBANY ss.

On this 18th day of May 2022, before me personally came Dylan Williams to me known, who, being by me duly sworn, did depose and say that he is the Assistant Secretary of the New York State Public Authorities Control Board, that he executed the foregoing certification and that the contents thereof are true.

Brittany N. Glenn
Notary Public, State of New York
No. 01GL6253075
Qualified in Rensselaer County
Commission Expires: 12/19/2023