CEO Report

September 23, 2020
AGENDA

01 September Board Meeting Significant Items

02 Update: COVID-19 Impact on Electricity Sales

03 Tropical Storm Isaias 30-Day Report

04 Power Plant Tax Case Update

05 Jones Beach Energy and Nature Center
SEPTEMBER BOARD MEETING
SIGNIFICANT ITEMS

FOR DISCUSSION
• 30-Day Report from Isaias Task Force
• Independent Auditor’s 2020 Audit Plan*
• Emergency Response Oversight Process*
• Implementation of Management Audit Recommendations*

FOR APPROVAL
• Authorization for Medium Term Note Financing*
• Board Policy on Power Supply Hedging
• Board Policy on Construction of T&D Projects
• Operating Agreement with New York State Parks for the Jones Beach Energy Center*
• Tariff Changes Related to COVID
• Extension of the Power Purchase Agreement for Fitzpatrick*
• Extension of the Sound Cable Agreement with New York Power Authority*

* Items discussed in Committee meetings
COVID-19: ELECTRIC SALES UPDATE

Weather Adjusted Electric Sales: March – September
Compared to Prior Year

<table>
<thead>
<tr>
<th>Month</th>
<th>PHASE 1</th>
<th>PHASE 2</th>
<th>PHASE 3</th>
<th>PHASE 4</th>
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<tbody>
<tr>
<td>March</td>
<td>6.3%</td>
<td>6.5%</td>
<td>7.7%</td>
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<tr>
<td>April</td>
<td>-1.9%</td>
<td>-3.4%</td>
<td>0.3%</td>
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<td>May</td>
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<td>-14.5%</td>
<td>-18.9%</td>
<td>-14.5%</td>
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<tr>
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<td>-1.8%</td>
<td>0.3%</td>
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<tr>
<td>August</td>
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<td>-5.0%</td>
<td>-17.5%</td>
<td>-9.6%</td>
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COVID-19: ELECTRIC SALES UPDATE
REVENUE BY CUSTOMER CLASS

Revenue Decoupling balance from March to August 2020 changed by +$22 million on sales of $2.2 billion; includes weather-related effects on sales.
COVID-19: CUSTOMER AMOUNTS DUE OVER 30 DAYS

Amounts due from customers (> 30 days) have increased by $38 million since February 2020. Part of the effect is seasonal (higher summer electric usage and bills) and part is related to the pandemic-induced recession.
TROPICAL STORM ISAIAS: A TOP 5 STORM

#1
Superstorm Sandy
2012
Outages: 1,194K
Damage Locations: 37,000
Restoration Time: 16 Days

#2
Hurricane Gloria
1985
Outages: 750K
Damage Locations: 18,730
Restoration Time: 11 Days

#3
Tropical Storm Isaias
2020
Outages: 645K
Damage Locations: 22,986
Restoration Time: 8 Days

#4
Tropical Storm Irene
2011
Outages: 523K
Damage Locations: 18,926
Restoration Time: 8 Days

Note: Outage numbers may reflect customers experiencing multiple outages during storm.
30-Day Report Includes:

- 4 preliminary findings and 37 near-term recommendations to improve on customer communications and service restoration system performance during Tropical Storm Isaias
- Description of root causes and workstreams for 90 and 180-day reports
- Discussion of storm hardening investments with recommendations in 90-day report
Settlement with the Town of Huntington Approved

On September 3, 2020, the Huntington Town Council voted in favor of LIPA’s settlement agreement on the Northport Power Station.

The settlement will:

- Reduce total payments by 47 percent through a gradual phase-in through 2027
- Provide an additional $14.5 million in direct payments to the Northport-East Northport School District
- Provide an additional $3 million to the Town of Huntington
- Waive over ~$800 million in potential tax refunds for all Town of Huntington Residents
• Nassau County settlement remains pending approval in the Nassau County Legislature
• LIPA continues to prepare for trial for the E.F. Barrett and Glenwood Landing plants
• 400-600MW of steam and peaking plant closures are under evaluation with an announcement by year end, which may impact the value LIPA derives from settling the tax cases
OPENING SOON:
JONES BEACH ENERGY & NATURE CENTER

- A one-of-a-kind educational institution dedicated to exploring relationships between human life, energy use, and environmental conservation
- Located on the West End of Long Island’s iconic Jones Beach State Park, the Center activates the coastal landscape as a living example of these relationships
- The net-zero building models how architecture, design, and technology can adapt to a changing environment to meet our energy needs