FOR DISCUSSION

- Temporary COVID-related Tariff and Rate Issues
- Briefing on Results of Storm Hardening Program*
- Briefing on Successor to Net Metering Whitepaper*
- Power and Fuel Supply Management Performance*

FOR APPROVAL:

- Board Policy on Customer Value and Affordability
- Board Policy on Diversity and Inclusion
- Board Policy on Economic Development and Community Initiatives*
- Board Policy on Staffing and Employment*
- Board Policy on Interest Rate Exchange Agreements*
- Board Policy on Public Policy Transmission Planning*

* Items discussed in Committee meetings
COVID-19: LONG ISLAND NEW INFECTIONS

97% decline in Long Island new infection rate since April peak

Long Island COVID-19 Tracker*

525,598 tested
82,159 positive cases (15.6%)
4,133 deaths

* Data: New York State Department of Health (Data as of 6/18/2020)

CEO Report – June 2020
LONG ISLAND’S REOPENING TIMELINE

NY on Pause
March 22, 2020
100% Closure of Non-Essential Businesses Statewide.

Phase 1
May 27, 2020
REOPEN: Construction, manufacturing, wholesale trade, select retail for curbside pick-up, agriculture, forestry and fishing.

Phase 2
June 10, 2020
REOPEN: Professional services, finance and insurance, retail, real estate, hair salons, barbershops, and outdoor dining.

Phase 3
Today: June 24, 2020
REOPEN: Food services, personal care businesses.

Phase 4
To be determined
TO OPEN: Arts, entertainment, recreation, education.
COVID-19: ELECTRIC SALES UPDATE

Weather Adjusted Electric Sales: March 20 – June 19
Compared to Prior Year

NY ON PAUSE

PHASE 1

PHASE 2

Residential
Commercial
Total

-25%
-20%
-15%
-10%
-5%
0%
5%
10%
15%

-0.9%
-2.9%
-3.8%
-2.9%
-7.0%
-5.2%
-4.3%
-3.9%
-7.7%
-9.4%
-7.3%
-7.1%
-6.2%
1.4%
Cash receipts through May are $13 million lower than 2019 on total receipts of $1.2 billion.
Amounts due from customers for more than 30 days have increased $23 million, with 70% of the increase from commercial customers.
COVID-19: 2020 BUDGET IMPACTS

Staff continues to monitor public health and economic developments and believes the projected 2020 budget impacts discussed at the May Board meeting remain appropriate so far

- Suspension of late payment fees: $5 to $9 million
- Higher projected write-offs: $12 to $20 million
- Higher O&M costs directly related to COVID-19 mitigation: $8 to $10 million (before FEMA recovery)
- Lower income on investments: $5 to $6 million
- Projected Fixed-Obligation Coverage for 2020: 1.25x to 1.30x (compared to 1.35x Board target)
COVID-19: BELT TIGHTENING ACTIONS FOR 2021 TO 2023

Staff continues to monitor public health and economic developments and believes the belt tightening actions discussed at the May Board meeting remain appropriate so far:

- Defer $60 million from the capital projects budget from 2021 and 2022 and defer $150 million of new capital initiatives
- Cut $15 million of O&M spending and defer $80 million of new O&M initiatives
- Refinance existing bonds for $70+ million in present value savings
- Projected Fixed-Obligation Coverage for 2021: 1.35x (est. to increase to 1.40x by 2023)
- Finance an average of 66% of capital expenditures with debt over the next three years compared to Board Policy of 64%
- Retire excess generation:
  - Previously announced peaking unit retirements at West Babylon and Glenwood Landing in 2020 and 2021; additional peaking unit retirements under consideration, including at Glenwood Landing;
  - Study to conclude in Q4 2020 will identify 400 to 600 MW of steam unit retirements for 2022; additional steam plant retirements after 2024