



# CEO Report

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*June 24, 2020*

# JUNE BOARD MEETING SIGNIFICANT ITEMS

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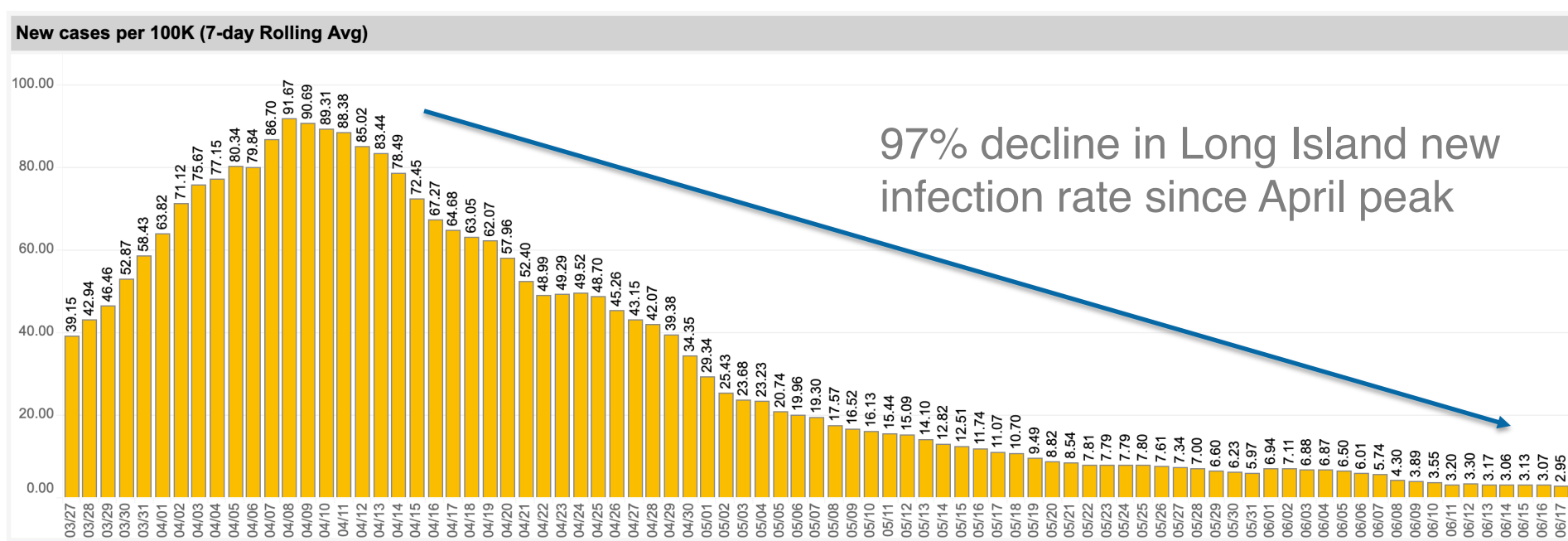
## **FOR DISCUSSION**

- 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\*

# COVID-19: LONG ISLAND NEW INFECTIONS



## Long Island COVID-19 Tracker\*

**525,598** tested

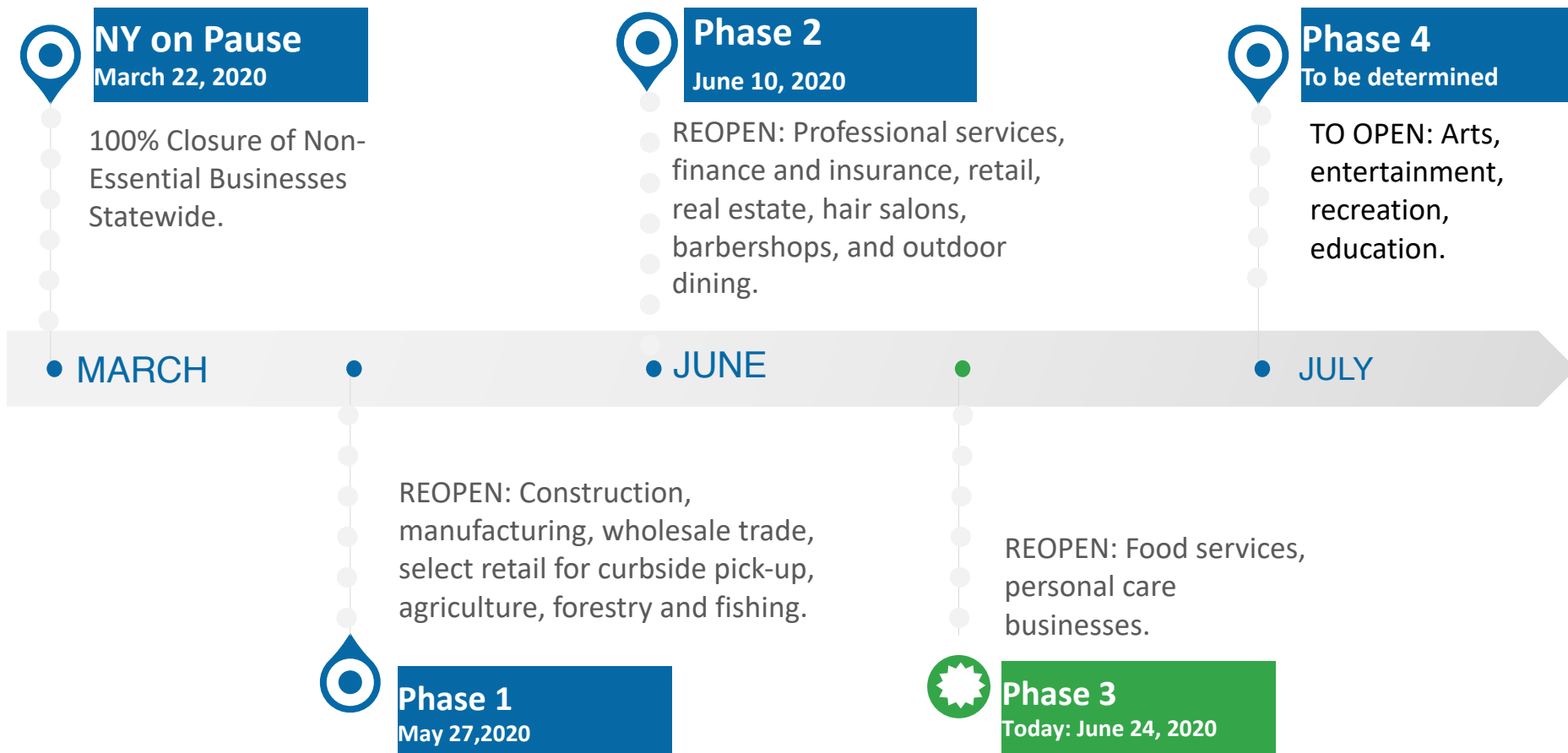
**82,159** positive cases (15.6%)

**4,133** deaths

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

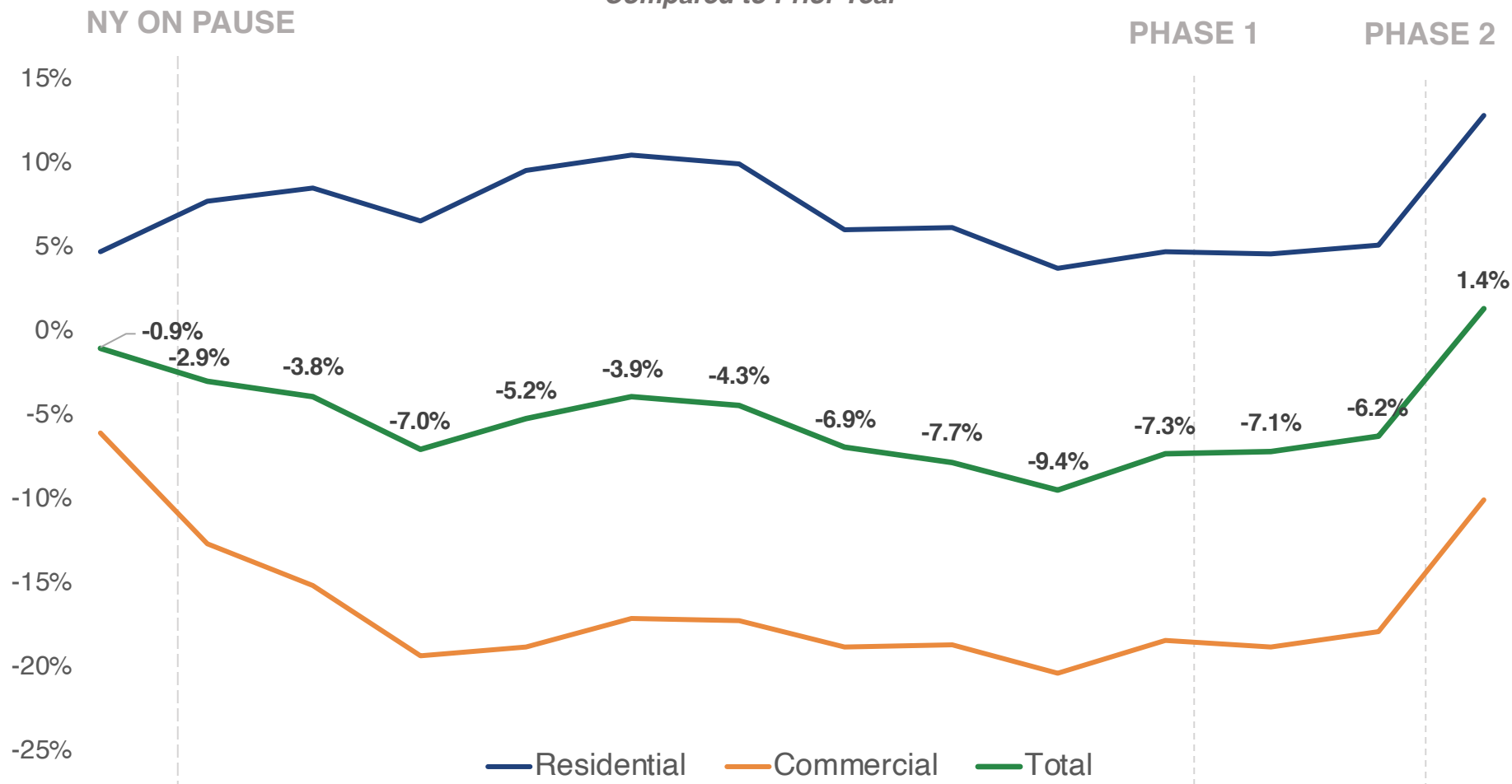
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# LONG ISLAND'S REOPENING TIMELINE

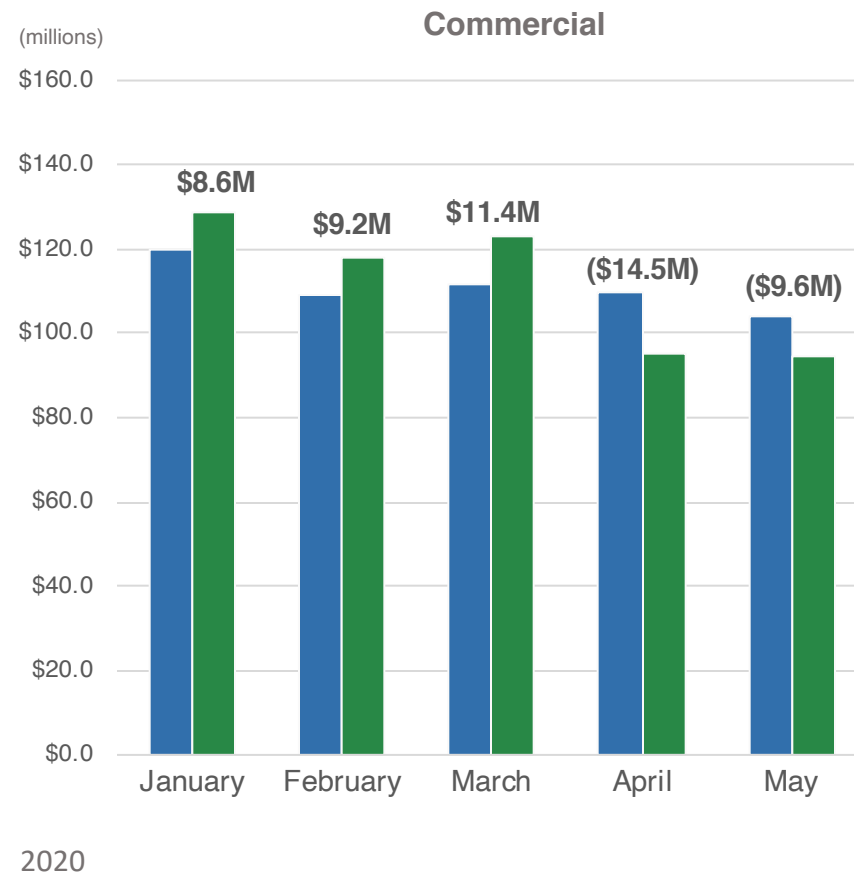
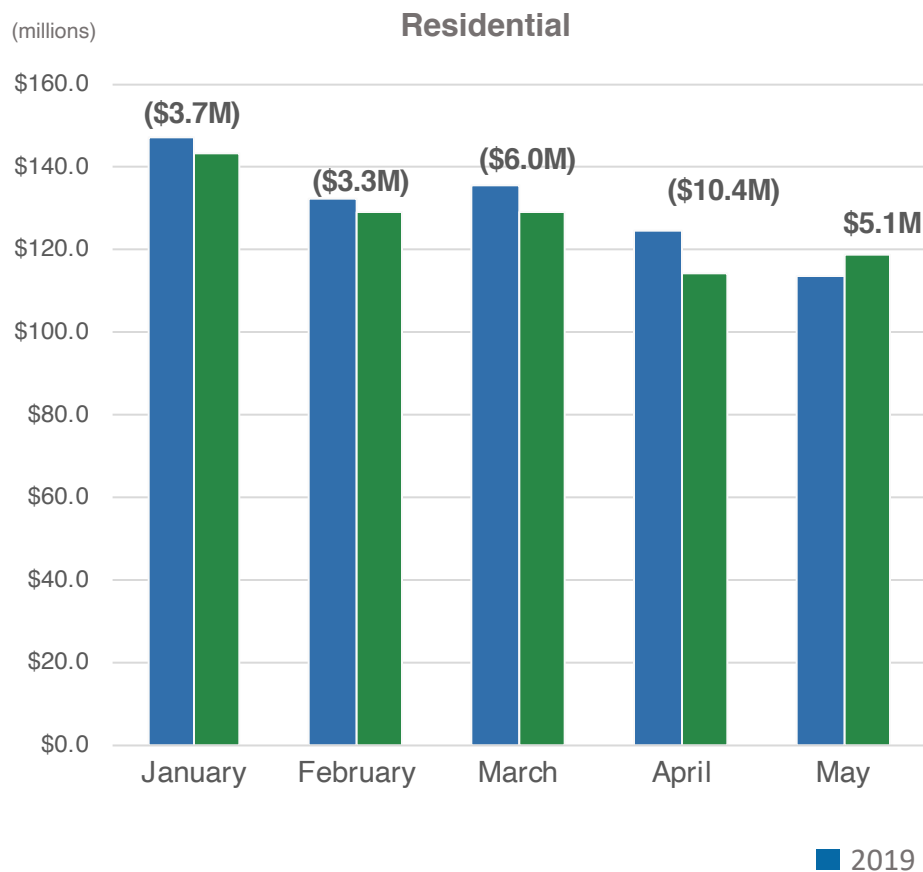


# COVID-19: ELECTRIC SALES UPDATE

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

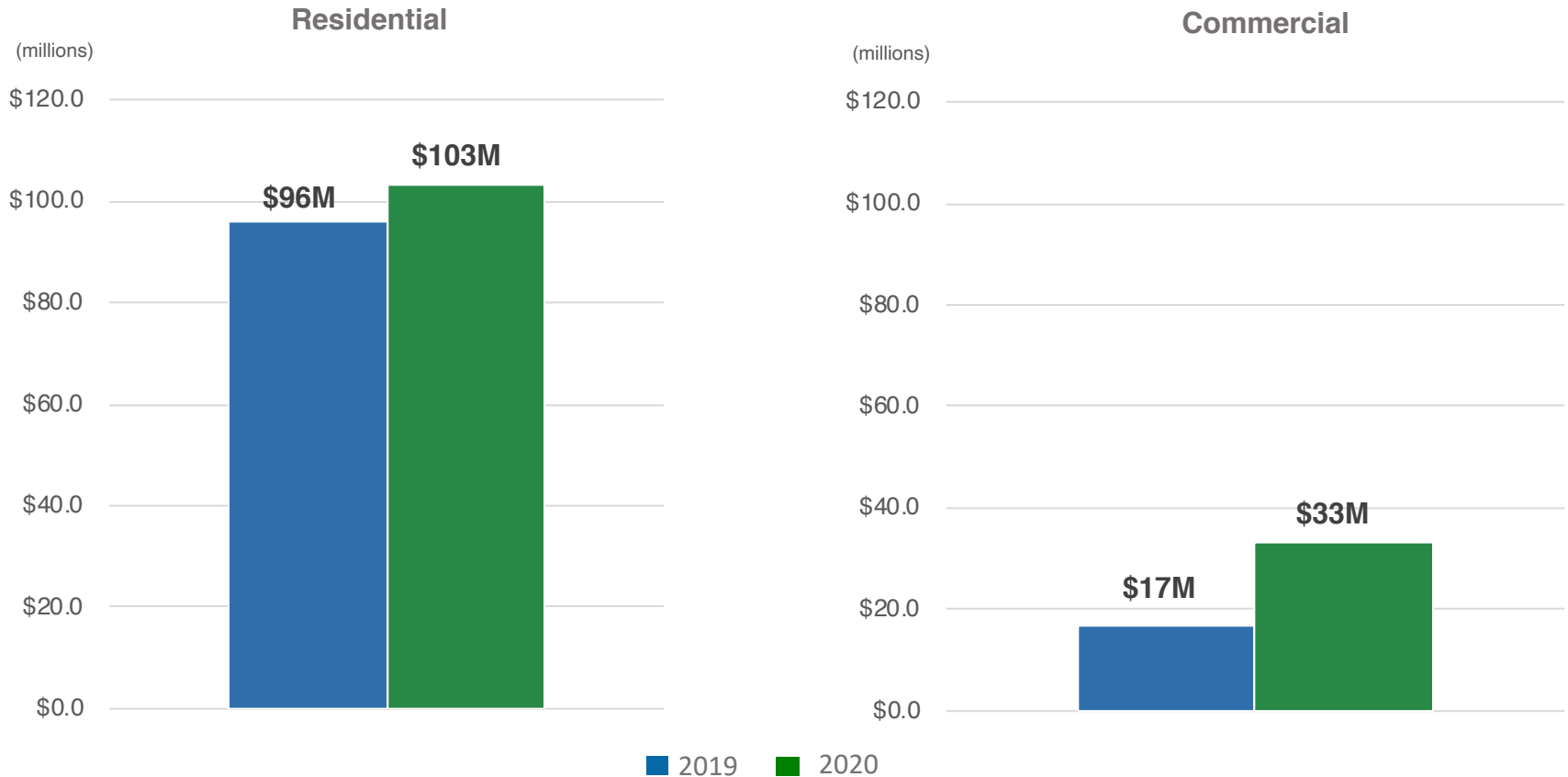


# COVID 19: CASH RECEIPTS UPDATE



Cash receipts through May are \$13 million lower than 2019 on total receipts of \$1.2 billion

# COVID-19: CUSTOMER ARREARS – AMOUNTS DUE OVER 30 DAYS



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