CEO Report

July 22, 2020
FOR DISCUSSION
• Briefing on the Accelerated Renewable Energy Growth and Community Benefit Act*
• Annual Energy Efficiency Report*
• Briefing on Utility 2.0 Plan and Energy Efficiency and Demand Response Plan*

FOR APPROVAL
• Resolution Appointing Chief Financial Officer
• Board Policy on Resource Planning, Energy Efficiency, and Renewables
• Board Policy on Transmission and Distribution System Reliability
• Power Purchase Agreement and Property Lease with Shoreham Energy, LLC
• Board Policy Oversight and LIPA Operations*
• LIPA’s Code of Ethics and Conduct *
• Agreement with NYSEERDA for the Purchase of Renewable Energy Certificates*
• Amendment to Electric System General Revenue Bond Resolution*
# CONGRATULATIONS PSEG LONG ISLAND!

J.D. Power Business Customer Satisfaction  
2020 Wave 1 Large East Electric Utility Results

<table>
<thead>
<tr>
<th>Utility</th>
<th>Score</th>
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<tbody>
<tr>
<td>Utility 1</td>
<td>822</td>
</tr>
<tr>
<td>Utility 2</td>
<td>813</td>
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<td>Utility 3</td>
<td>802</td>
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<tr>
<td>PSEG Long Island</td>
<td>797</td>
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<tr>
<td>PSE&amp;G</td>
<td>791</td>
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<td>Utility 6</td>
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<td>Utility 7</td>
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<td>Utility 8</td>
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<tr>
<td>East Large</td>
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<tr>
<td>Utility 9</td>
<td>771</td>
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<tr>
<td>Utility 10</td>
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<tr>
<td>Utility 11</td>
<td>750</td>
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<td>Utility 12</td>
<td>749</td>
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**COVID-19:**
**LONG ISLAND NEW INFECTIONS**

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

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**Long Island COVID-19 Tracker**

- **691,418** tested
- **83,738** positive cases (12.1%)
- **4,171** deaths

*Data: New York State Department of Health (Data as of 7/14/2020)*

CEO Report – July 2020
COVID-19: 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
June 30, 2020
REOPEN: Food services and personal care businesses

Phase 4
July 8, 2020
REOPEN: Arts, entertainment, recreation, zoos, education, and pro-sports (no fans)
# COVID-19: Electric Sales Update

**Weather Adjusted Electric Sales: March 20 – July 10**  
*Compared to Prior Year*

<table>
<thead>
<tr>
<th>NY ON PAUSE</th>
<th>PHASE 1</th>
<th>PHASE 2</th>
<th>PHASE 3</th>
<th>PHASE 4</th>
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<tbody>
<tr>
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<tr>
<td>Commercial</td>
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</tr>
<tr>
<td>Total</td>
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<table>
<thead>
<tr>
<th></th>
<th>Residential</th>
<th>Commercial</th>
<th>Total</th>
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<tbody>
<tr>
<td>Phase 1</td>
<td>4.8%</td>
<td>-12.6%</td>
<td>1.4%</td>
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<tr>
<td>Phase 2</td>
<td>7.8%</td>
<td>-12.2%</td>
<td>-1.5%</td>
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<tr>
<td>Phase 3</td>
<td>8.6%</td>
<td>-11.5%</td>
<td>-1.3%</td>
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<tr>
<td>Phase 4</td>
<td>6.6%</td>
<td>-10.0%</td>
<td>-2.7%</td>
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**CEO Report – July 2020**

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**LIPA**  
Long Island Power Authority
COVID-19: ELECTRIC SALES UPDATE
BY INDUSTRY PHASE

Phase 1:
Manufacturing
Construction
Wholesale Trade

Phase 2:
Retail Trade
Prof. & Technical Services
Finance and Insurance
Real Estate
Barber Shops/Hair Salons

Phase 3:
Food Services & Drinking Personal Care

*% Change compared to the same week of 2019
COVID-19: ELECTRIC SALES UPDATE

INDUSTRY SPOTLIGHT

Manufacturing, Retail Trade, and Leisure & Hospitality

*% Change compared to the same week of 2019

WEATHER-NORMALIZED WEEKLY PERCENTAGE CHANGE BY INDUSTRIAL SECTOR

CEO Report – July 2020
COVID-19: ELECTRIC SALES UPDATE
REVENUE BY CUSTOMER CLASS

Budget vs. Booked Delivery Revenue March-June 2020:
Revenue Decoupling Balance due to/(from) by Customer Class

Total YTD revenue
- Residential: $791M
- Small Commercial: $48M
- Large Commercial: $624M

Revenue Decoupling balance from March to June 2020 changed by $2.1 million on sales of $1.5 billion
COVID-19: CUSTOMER AMOUNTS DUE OVER 30 DAYS

Amounts due from customers (> 30 days) have increased $14 million on a $13.6 billion balance sheet
Pending Settlement Agreement with the Town of Huntington

- In July 2020, LIPA and the Town of Huntington reached a tentative settlement on the Northport Power Station
- Reduce total payments by 47 percent through a gradual phase-in through 2027
- Provides $14.5 million in direct payments to Northport-East Northport School District
- Waives over ~$800 million in potential tax refunds for all Town of Huntington Residents
- Contingent on approval by the Northport-East Northport Board of Education and the Huntington Town Board
PROPERTY TAX TIMELINE

- **2010**: LIPA Commences Tax Certiorari Litigation
- **DEC ‘18**: Port Jefferson Power Plant Settlement
- **NOV ‘19**: Settlement talks conclude on Northport
  - E.F. Barrett & Glenwood Landing Power Plants (pending NC Legislature approval)
  - Northport School Board Voted In Favor of Settlement on July 20th
- **MAR ‘20**: Northport Power Plant Settlement
- **JUL ‘20**: Town of Huntington Board meeting August 11
Settlement scenario does not include the additional payment of $14.5 million in direct school aid, which will reduce the impact of settlement on homeowners.*

- Tax impacts are approximately proportionate to home value (i.e. a 1 million dollar home is roughly twice the indicated impacts)
- Chart based on data provided by the Northport-East Northport School District and Town of Huntington
BENEFITS OF A SETTLEMENT

- Ensures Northport retains among the lowest tax rates in the surrounding area
- Provides hundreds of millions of dollars of continued tax revenue in excess of that required by law
- Offers glidepath of tax payments even if power plants close

Northport settlement is endorsed by the Northport Board of Education & includes $14.5 million in direct to payments to the School District