



CEO Report

July 22, 2020

JULY BOARD MEETING SIGNIFICANT ITEMS

FOR DISCUSSION

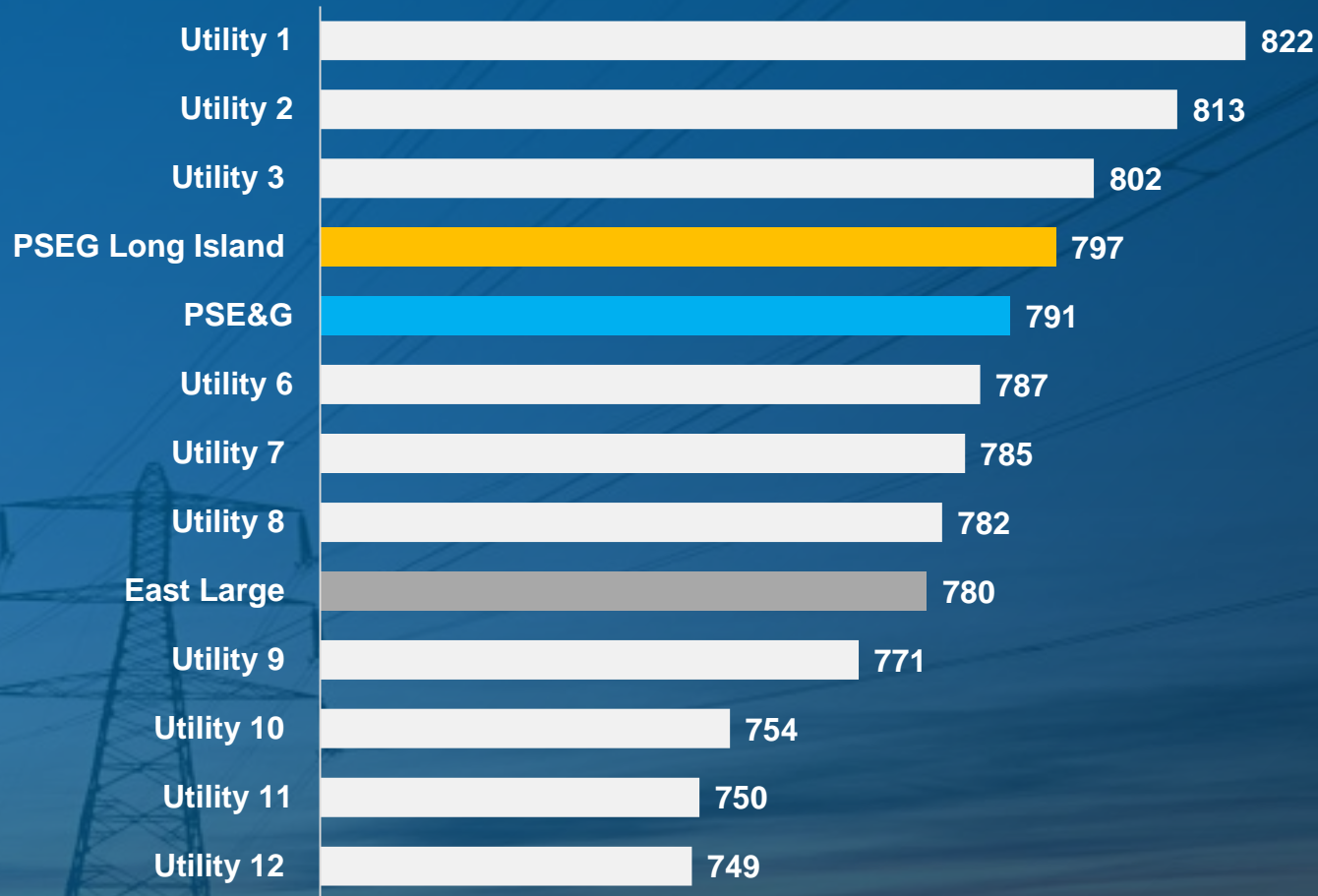
- Briefing on the Accelerated Renewable Energy Growth and Community Benefit Act*
- Annual Energy Efficiency Report*
- Briefing on Utility 2.0 Plan and Energy Efficiency and Demand Response Plan*

FOR APPROVAL

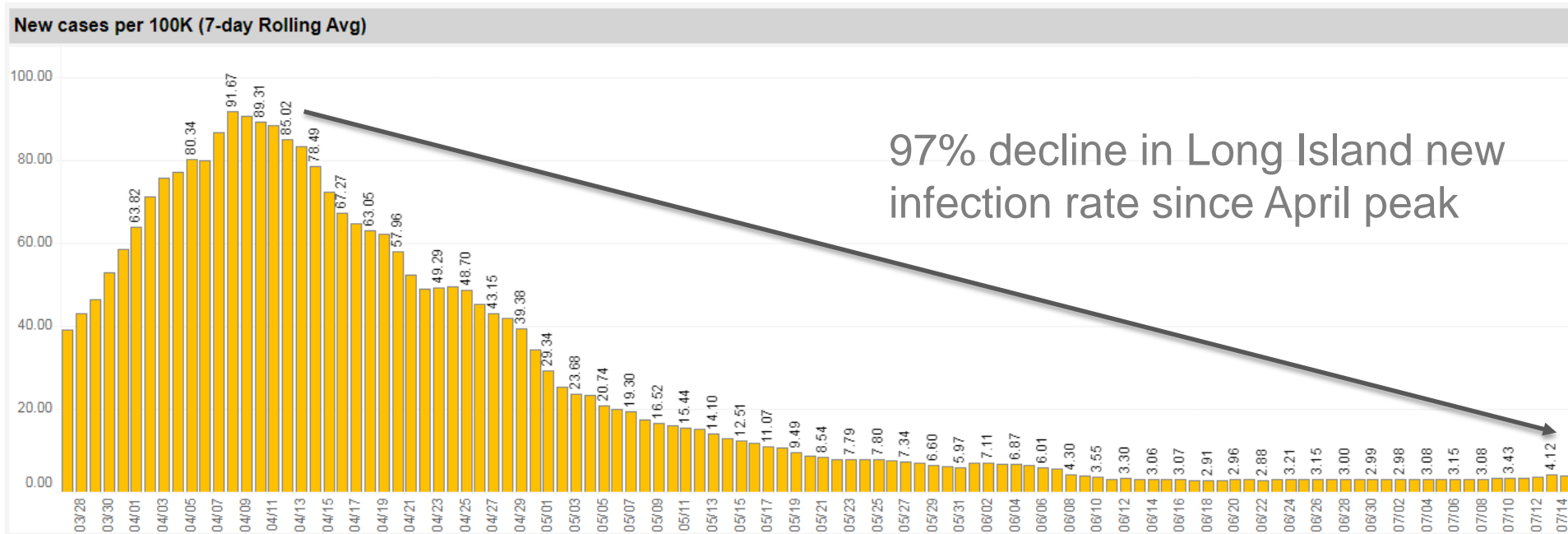
- Resolution Appointing Chief Financial Officer
- Board Policy on Resource Planning, Energy Efficiency, and Renewables
- Board Policy on Transmission and Distribution System Reliability
- Power Purchase Agreement and Property Lease with Shoreham Energy, LLC
- Board Policy Oversight and LIPA Operations*
- LIPA's Code of Ethics and Conduct *
- Agreement with NYSERDA 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



COVID-19: LONG ISLAND NEW INFECTIONS



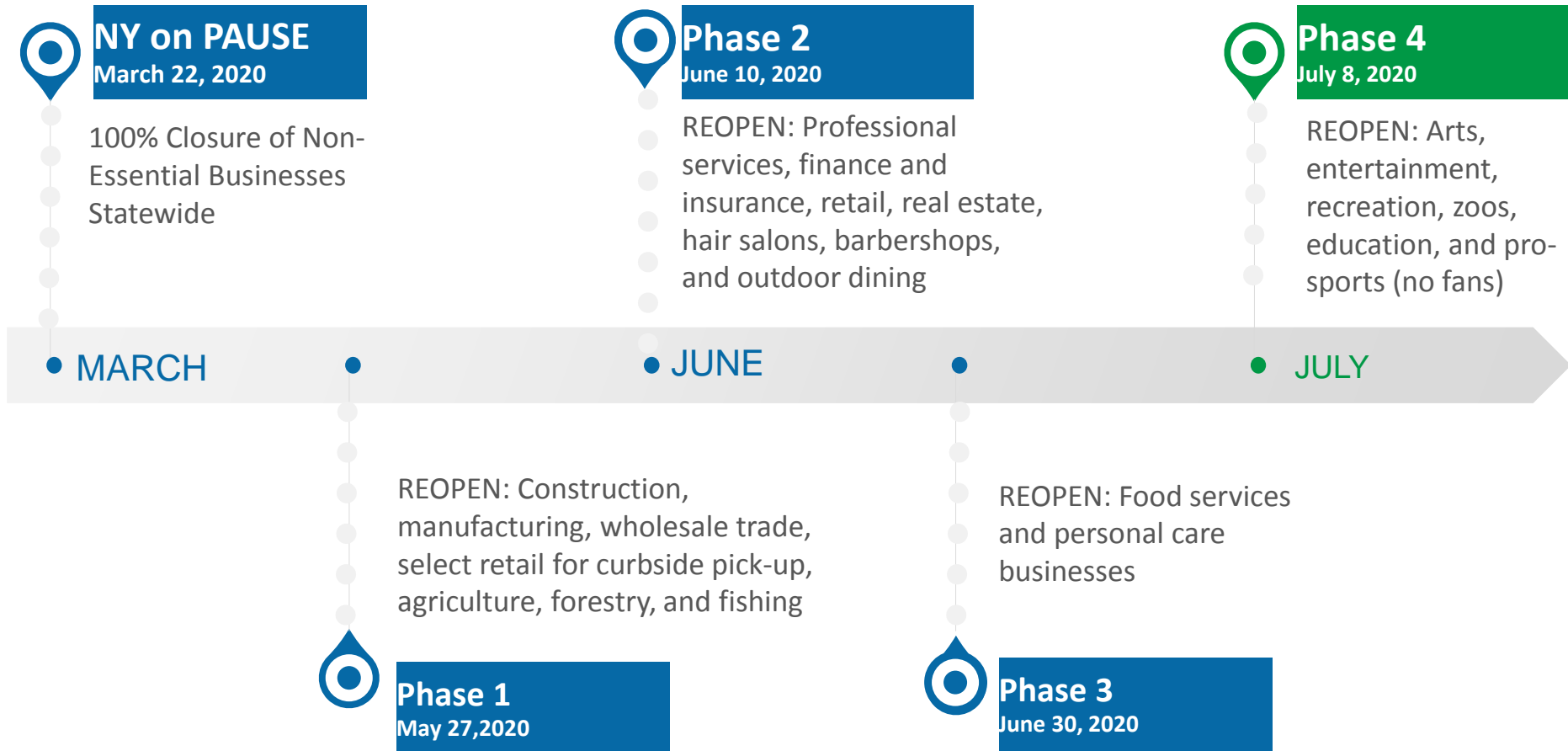
Long Island COVID-19 Tracker*

691,418 tested

83,738 positive cases (12.1%)

4,171 deaths

COVID-19: LONG ISLAND'S REOPENING TIMELINE



COVID-19: ELECTRIC SALES UPDATE

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

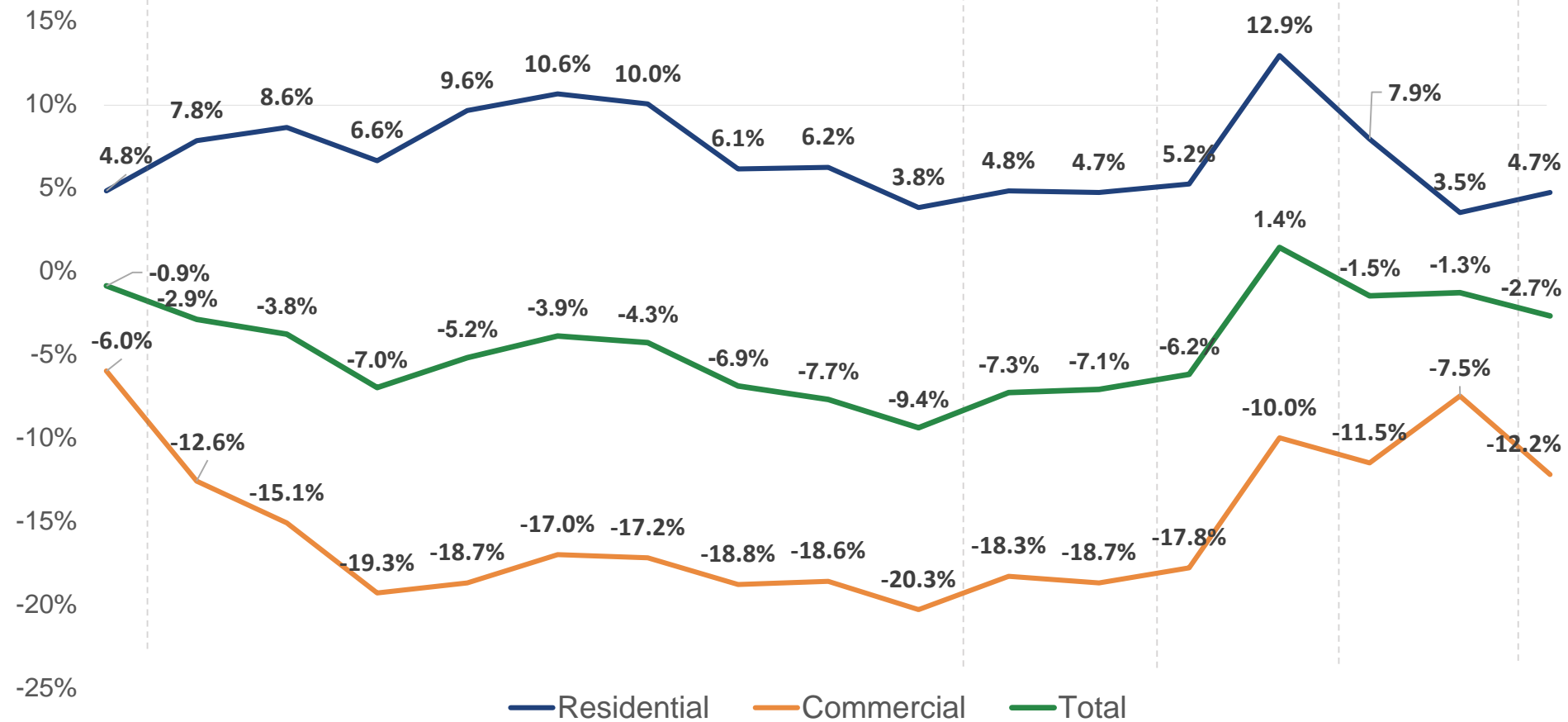
NY ON PAUSE

PHASE
1

PHASE
2

PHASE
3

PHASE
4



COVID-19: ELECTRIC SALES UPDATE BY INDUSTRY PHASE

WEEKLY WEATHER NORMALIZED PERCENTAGE CHANGE BY 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*

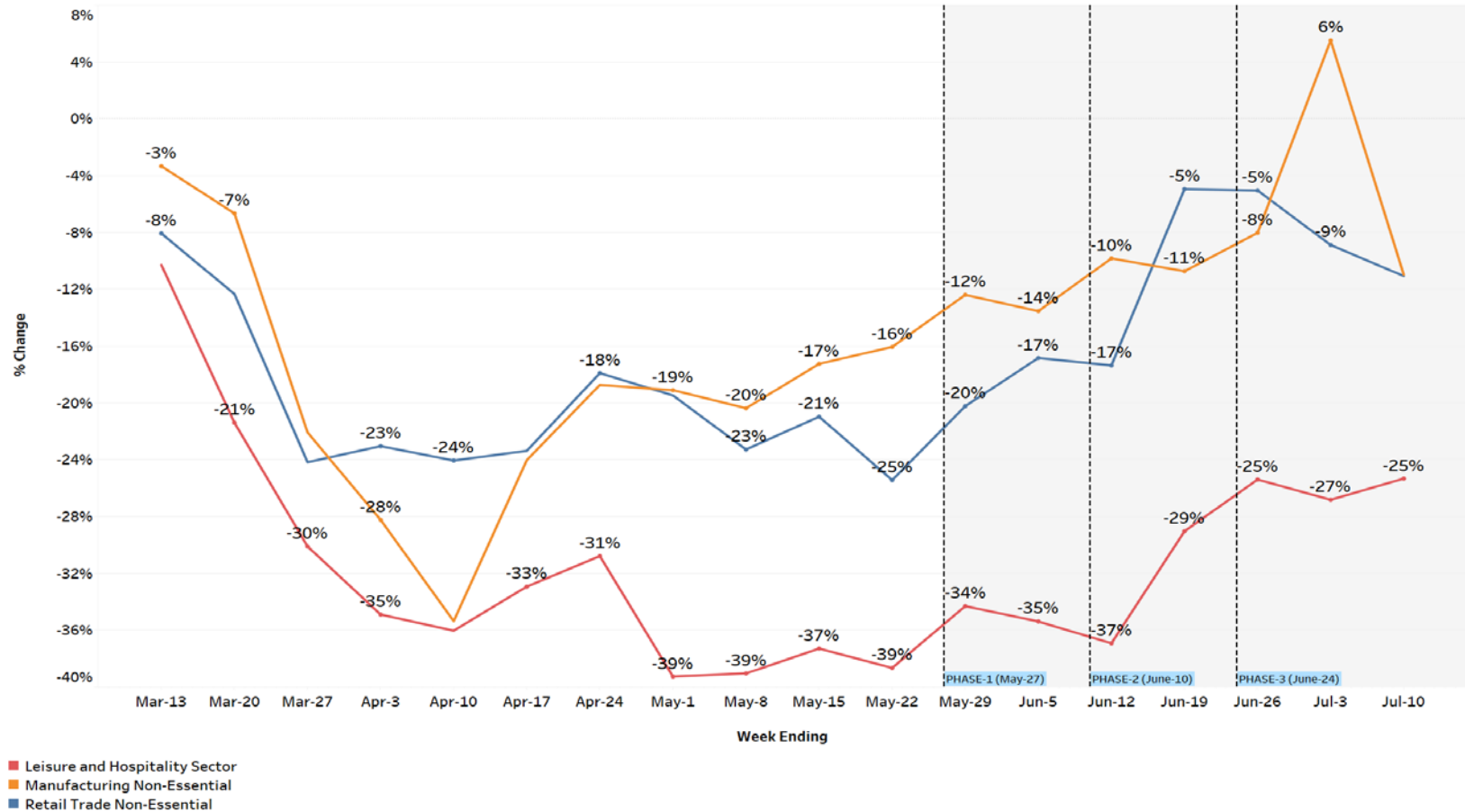
COVID-19: ELECTRIC SALES UPDATE

INDUSTRY SPOTLIGHT

Manufacturing, Retail Trade, and Leisure & Hospitality

**% Change compared to the same week of 2019*

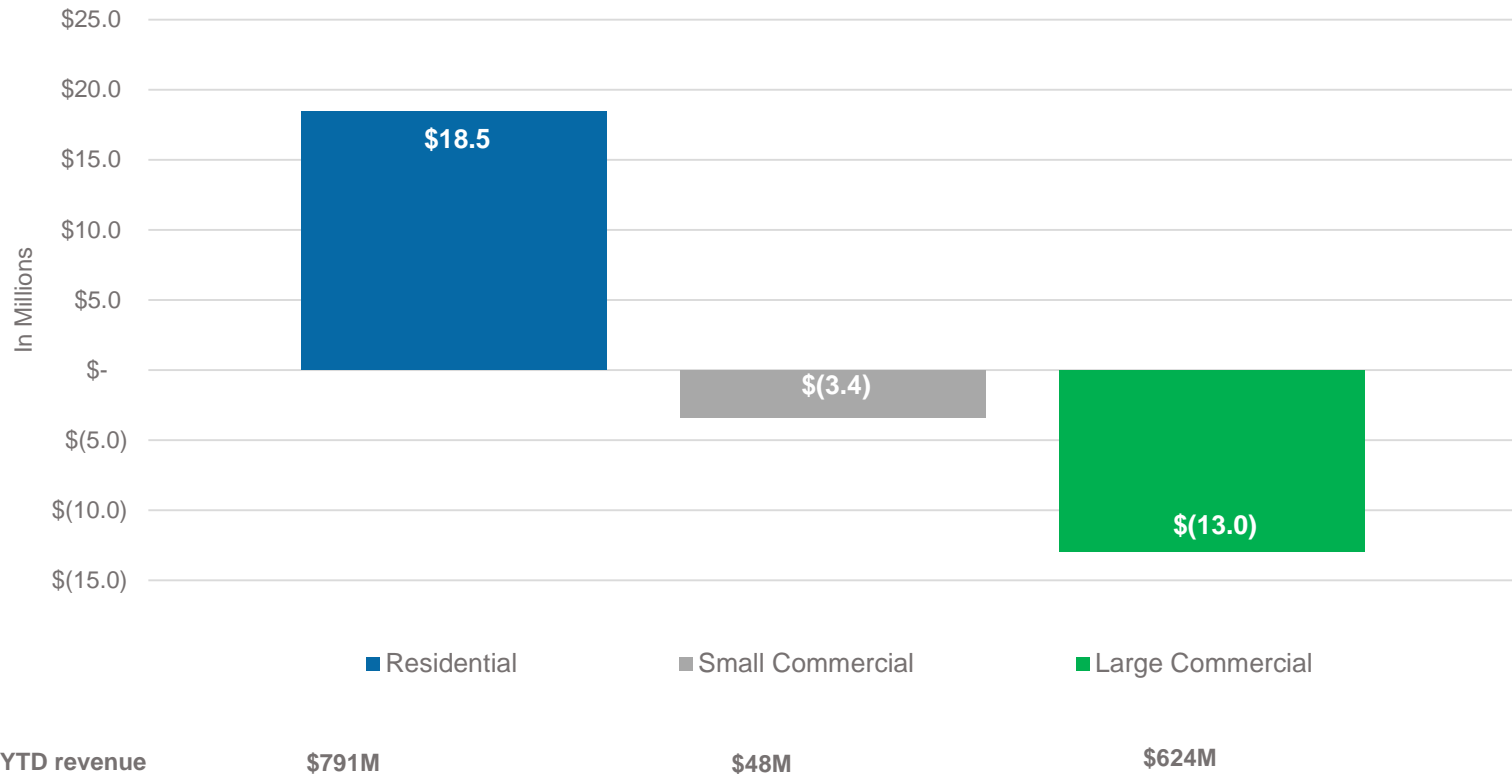
WEATHER-NORMALIZED WEEKLY PERCENTAGE CHANGE BY INDUSTRIAL SECTOR



COVID-19: ELECTRIC SALES UPDATE

REVENUE BY CUSTOMER CLASS

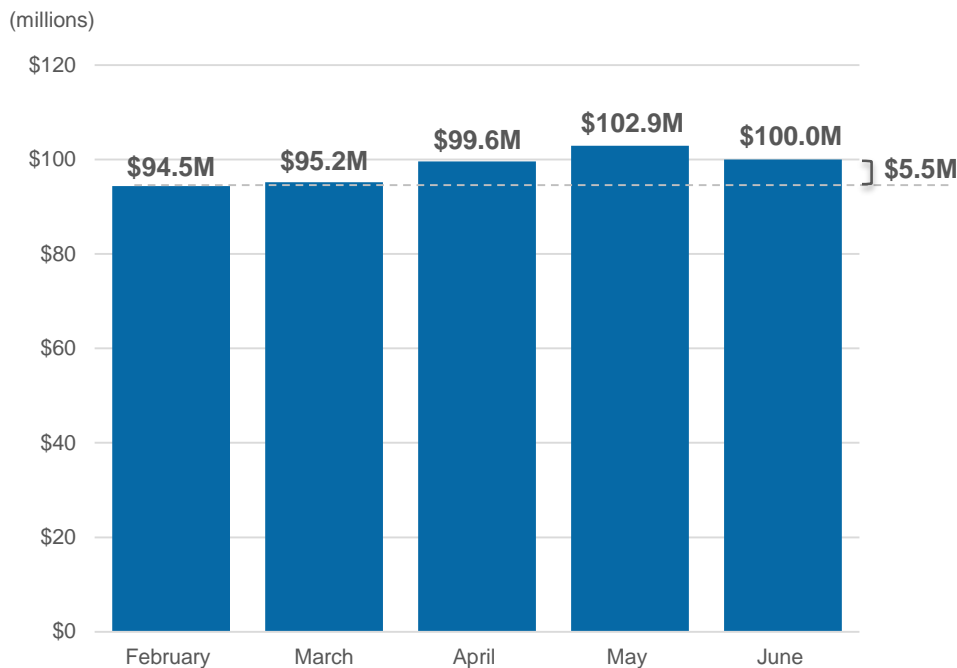
Budget vs. Booked Delivery Revenue March-June 2020:
Revenue Decoupling Balance due to/(from) by Customer Class



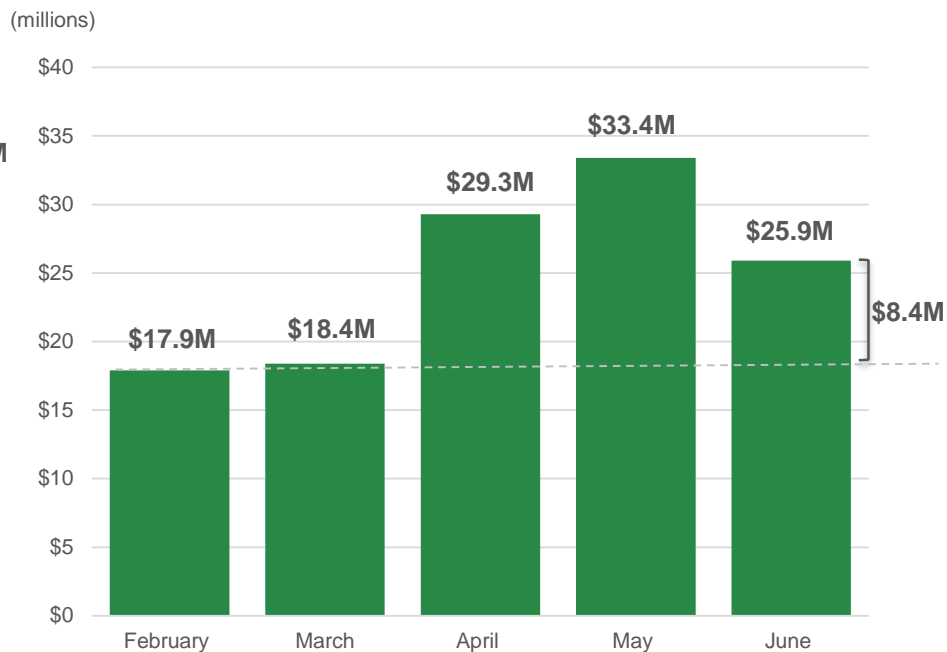
Revenue Decoupling balance from March to June 2020 changed by \$2.1 million on sales of \$1.5 billion

COVID-19: CUSTOMER AMOUNTS DUE OVER 30 DAYS

Residential



Commercial



Amounts due from customers (> 30 days) have increased \$14 million on a \$13.6 billion balance sheet

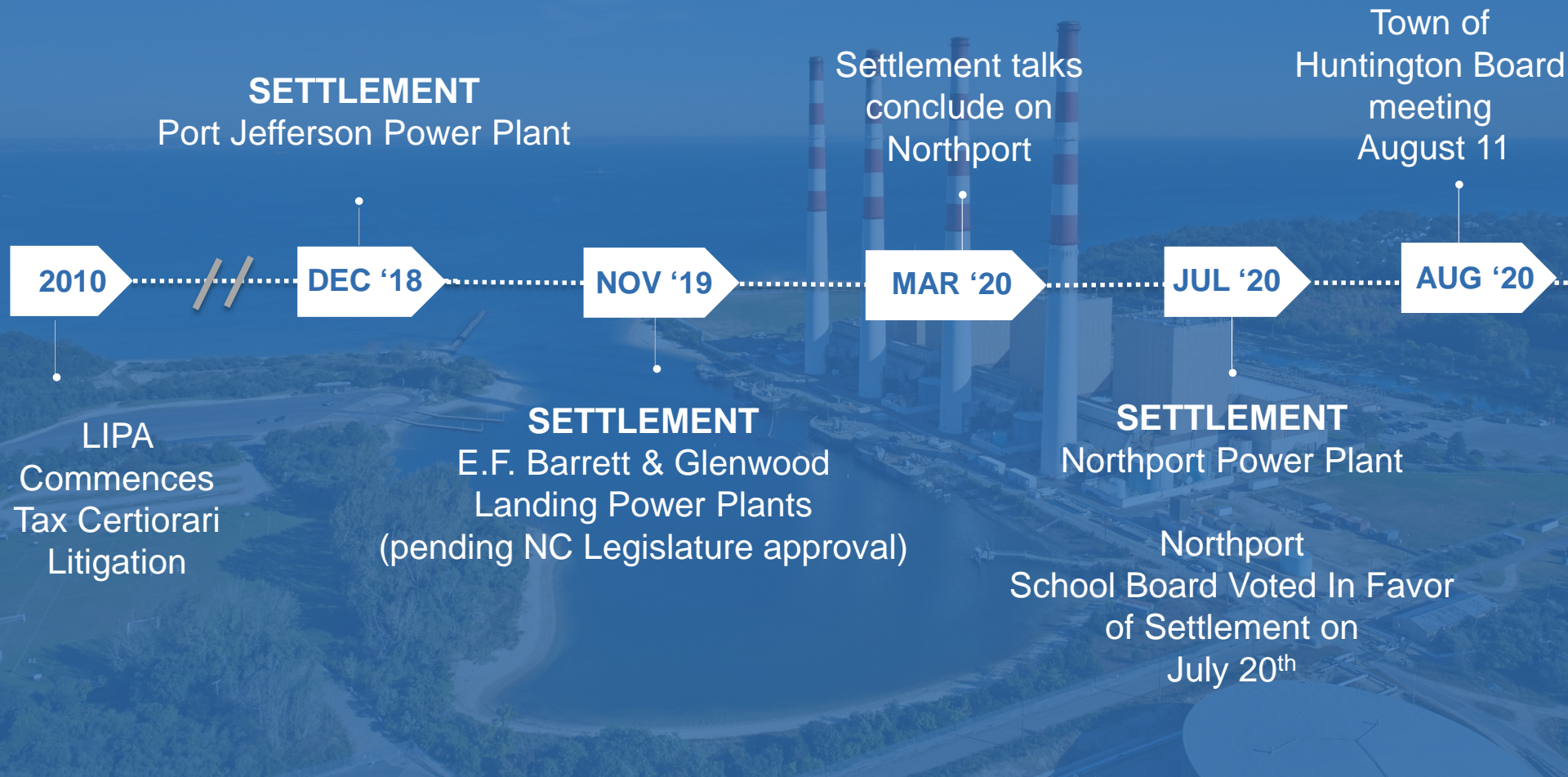
REACHING A FAIR COMPROMISE

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

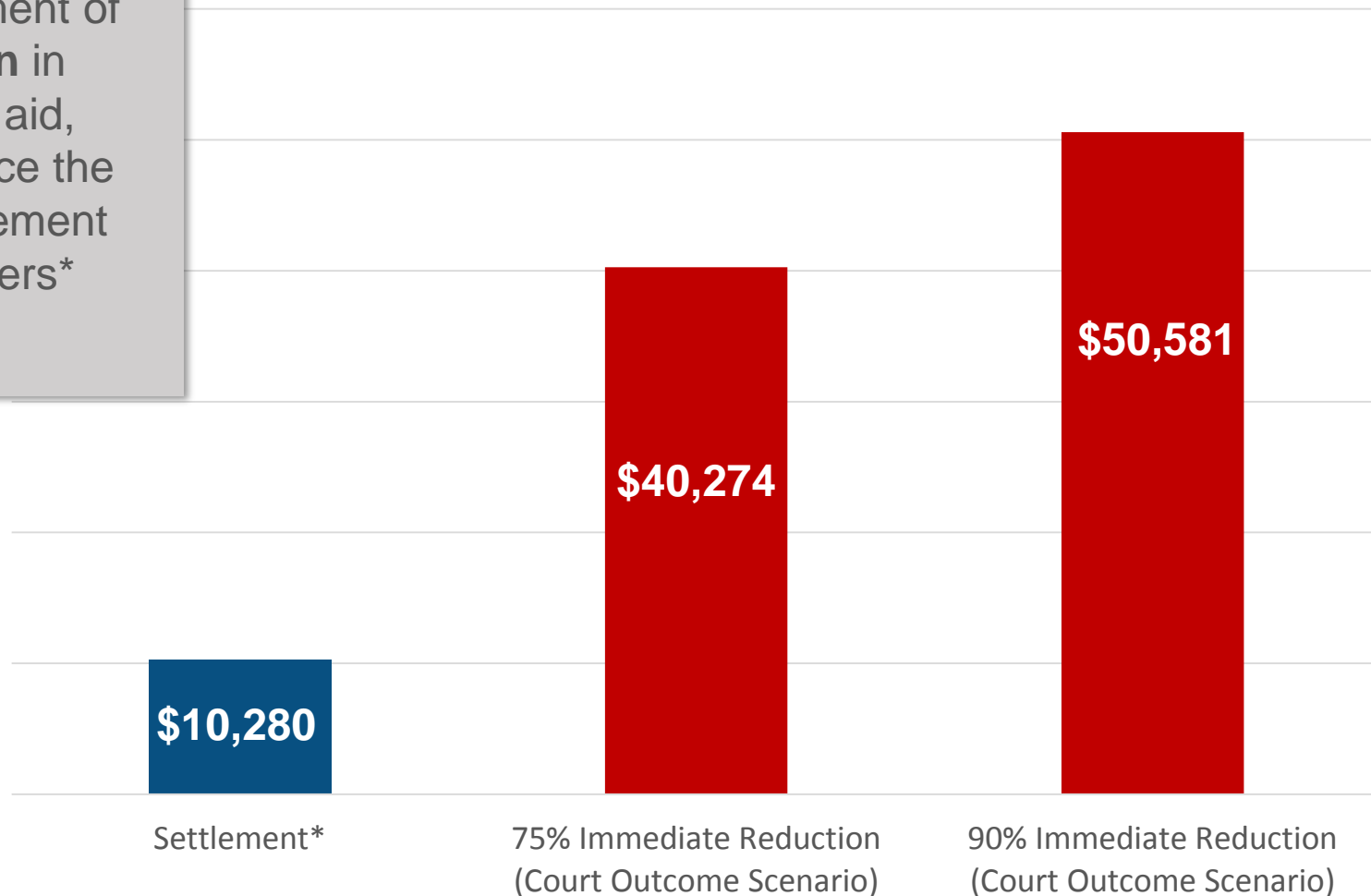


PROPERTY TAX TIMELINE



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*

\$500k Home Scenarios (Cumulative Tax Impact Over 7-Year Glidepath)



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

