AGENDA

01 March Board Meeting Significant Items

02 Update: COVID-19 Impact on Electricity Sales

03 J.D. Power 2021 1st Quarter Results

04 Phase II Options Analysis Update
MARCH BOARD MEETING
SIGNIFICANT ITEMS

FOR DISCUSSION
• Board Recommendations and Implementation Plans
• 2020 Audit Results with Independent Auditors*
• CEO Performance*
• Transition to Clean Energy with PSEG Long Island*
• Report on Long Island Choice Collaborative*

FOR APPROVAL
• Report on Board Policy on Debt and Access to Credit Markets*
• 2020 Financial Report*
• 2020 Investment Report and 2021 Board Policy on Investments*
• Tier 2 REC Contract with NYSERDA*
• Memorandum of Understanding with NYSERDA relating to Statewide Integrated Data Resource*
• Authorization to Investigate LIPA’s rights under Schedule F of ‘97 Merger Agreement

* Items discussed in Committee meetings
CEO Report – March 2021
Weather Adjusted Electric Sales: March 2020 – February 2021

- NY ON PAUSE
- PHASE 1
- PHASES 2-3
- PHASE 4

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<th>Month</th>
<th>Residential</th>
<th>Commercial</th>
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COVID-19: ELECTRIC SALES UPDATE
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REVENUE BY CUSTOMER CLASS

Revenue Decoupling balance from March 2020 to February 2021 changed by +$11.4 million on sales of $3.6 billion; includes weather-related effects on sales.
Amounts due from customers (> 30 days) have increased by $74 million since March 2020 due to the continued pandemic-induced recession.
J.D. Power Residential Customer Satisfaction Score Trend

- J.D. Power surveys are conducted in four waves each year.
- 1st quarter survey results were released in March 2021 and continue to show a decline after Tropical Storm Isaias.

U.S. Rank: #143 of 144

East Large: #17 of 17
• In December 2020, LIPA’s CEO and staff published the Phase I Analysis – the first in a series of two reports detailing options to improve the management of LIPA’s assets

• LIPA has conducted similar analyses on at least four prior occasions – in 1998, 2005, 2011, and 2013

• LIPA has four potential alternatives:
  • Privatization
  • Reformed PSEG Long Island contract
  • Contract with another vendor(s)
  • LIPA management of utility assets

• The Board asked for a Phase II report by March 2021 with public comment meetings to follow
LIPA staff will present the Phase II Analysis at the Board’s April 2021 meeting

Negotiations with PSEG Long Island on contract reforms continue with a goal of:

- Increasing PSEG Long Island management alignment, accountability, and transparency
- Facilitate greater oversight
- Provide assurance to customers and all stakeholders that the management failures that led to customers’ Tropical Storm Isaias experience will not repeated

Providing negotiations with additional time may provide the Board and public with a reformed PSEG Long Island contract alternative in addition to the new Service Provider and LIPA management alternatives

Following the release of the Phase II Options Analysis, the Board has directed staff to schedule public comment meetings to hear from LIPA’s customers and stakeholders on all the alternatives presented
Due Diligence on Options

PSEG OSA Renegotiation

Public Engagement to seek input on Options

Phase II Options Analysis Presented to the Board

LIPA Board Decision

January  February  March  April

PSEG Long Island to implement nearly 100 Tropical Storm Isaias reforms ordered by the LIPA Board.
QUESTIONS?