



CEO Report

March 29, 2021

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

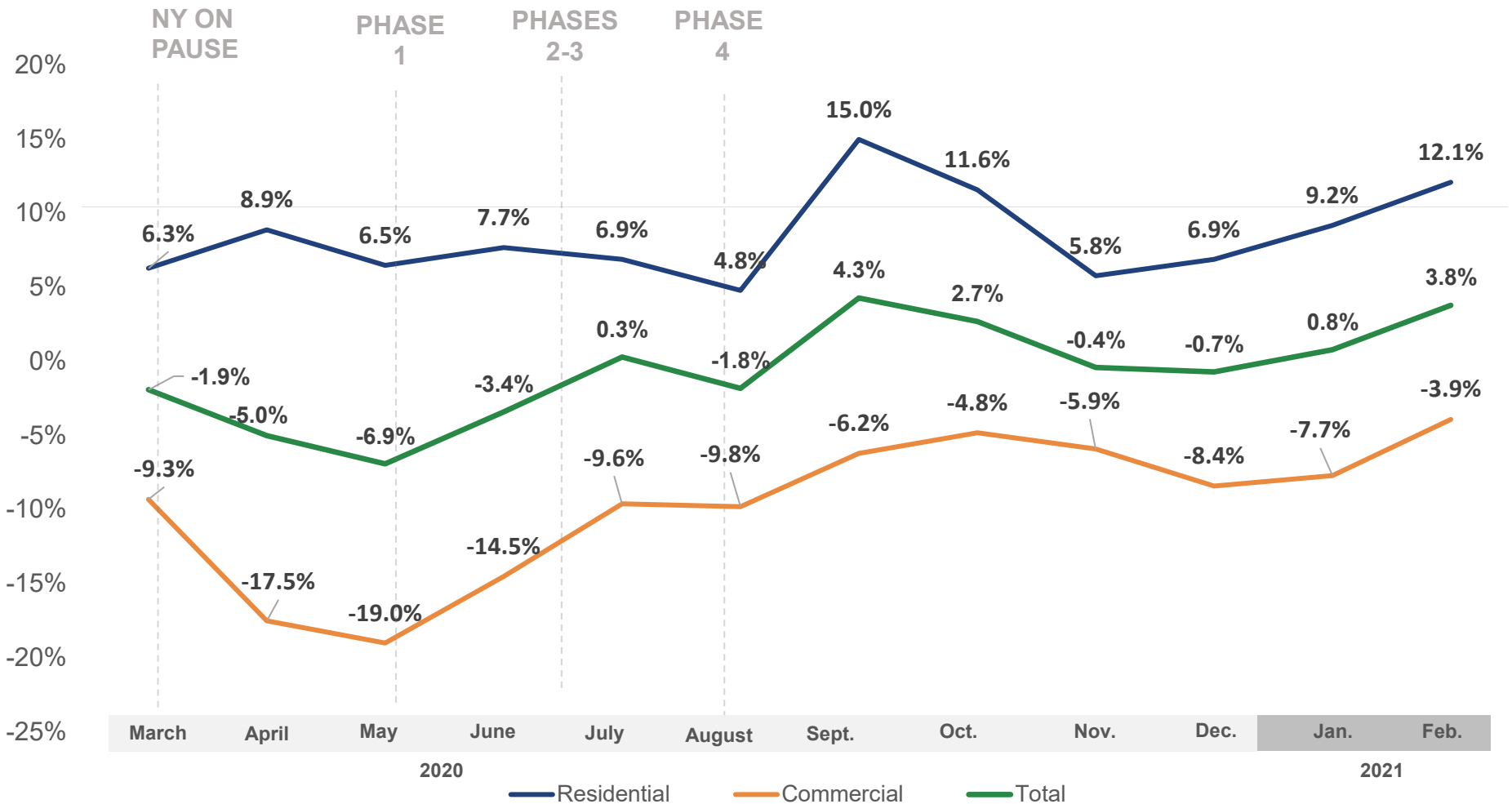
- Board Recommendations and Implementation Plans
- 2020 Audit Results with Independent Auditors*
- CEO Performance*
- Transition to Clean Energy with PSEG Long Island*
- Report on Long Island Choice Collaborative*

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

COVID-19: ELECTRIC SALES UPDATE

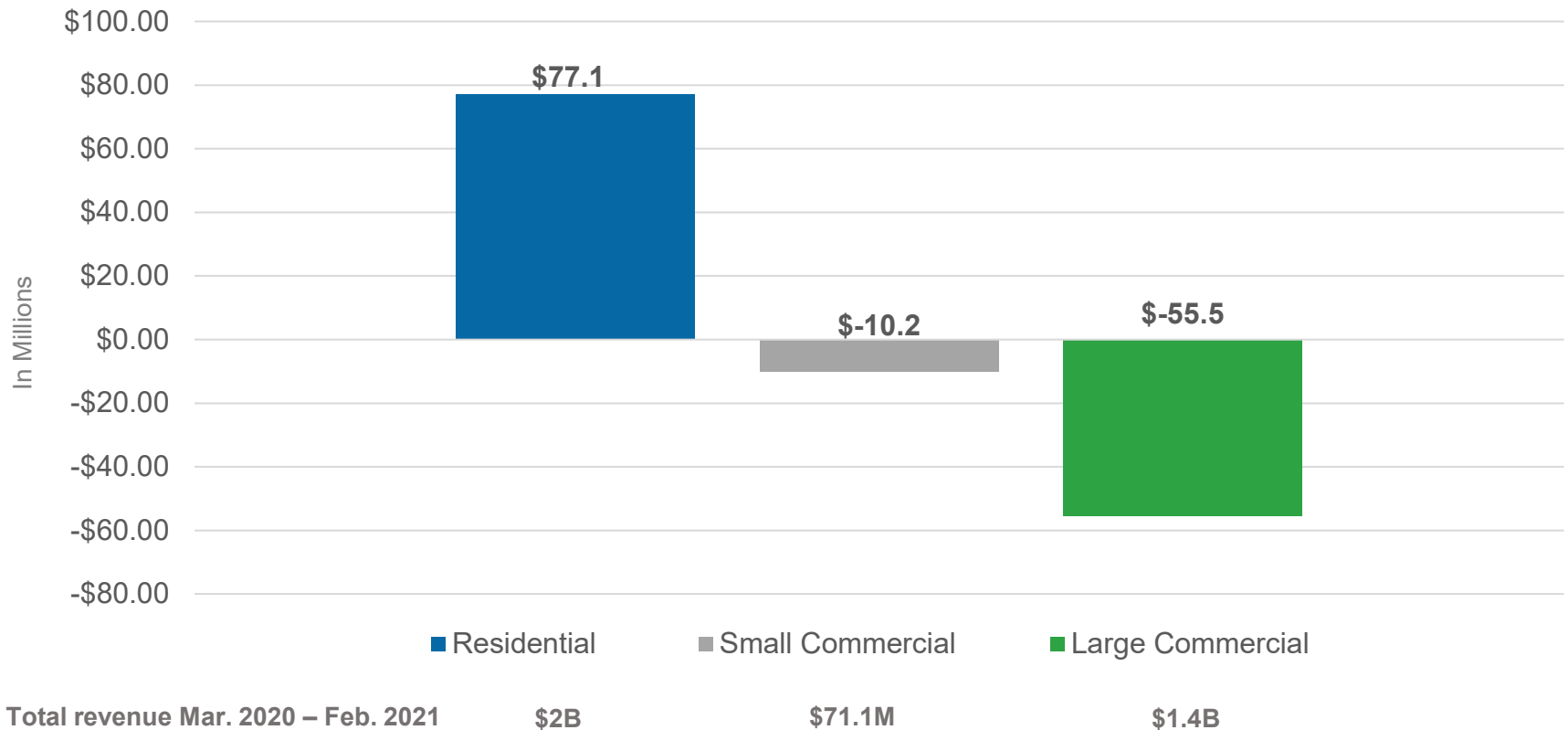
Weather Adjusted Electric Sales: March 2020 – February 2021



COVID-19: ELECTRIC SALES UPDATE

REVENUE BY CUSTOMER CLASS

Budget vs. Booked Delivery Revenue March 2020-February 2021:
Revenue Decoupling Balance due to/(from) by Customer Class

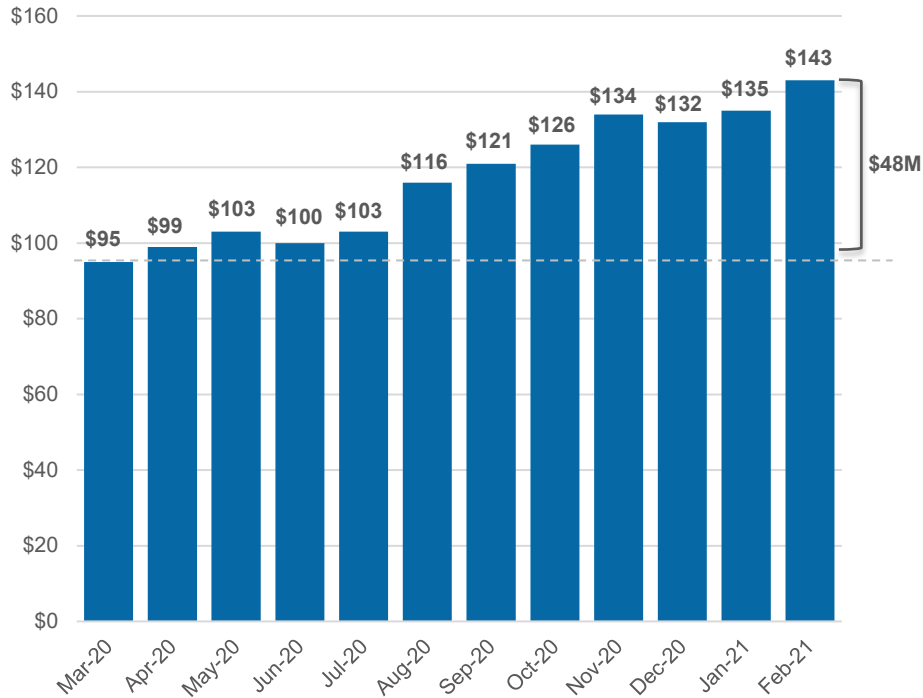


Revenue Decoupling balance from March 2020 to February 2021 changed by +\$11.4 million on sales of \$3.6 billion; includes weather-related effects on sales

COVID-19: CUSTOMER AMOUNTS DUE OVER 30 DAYS

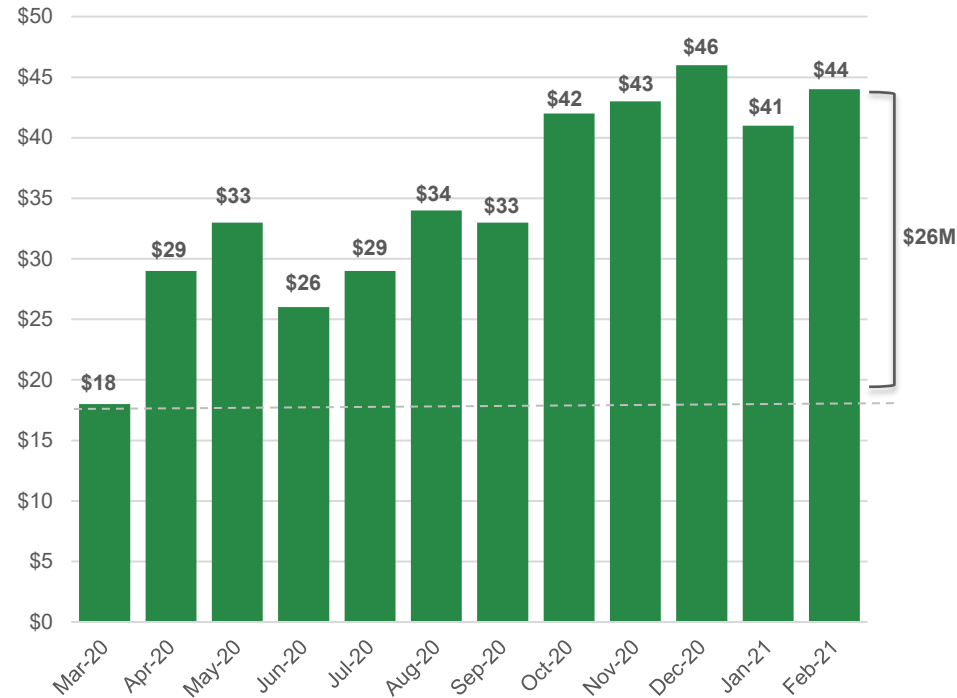
Residential

(millions)



Commercial

(millions)



Amounts due from customers (> 30 days) have increased by \$74 million since March 2020 due to the continued pandemic-induced recession

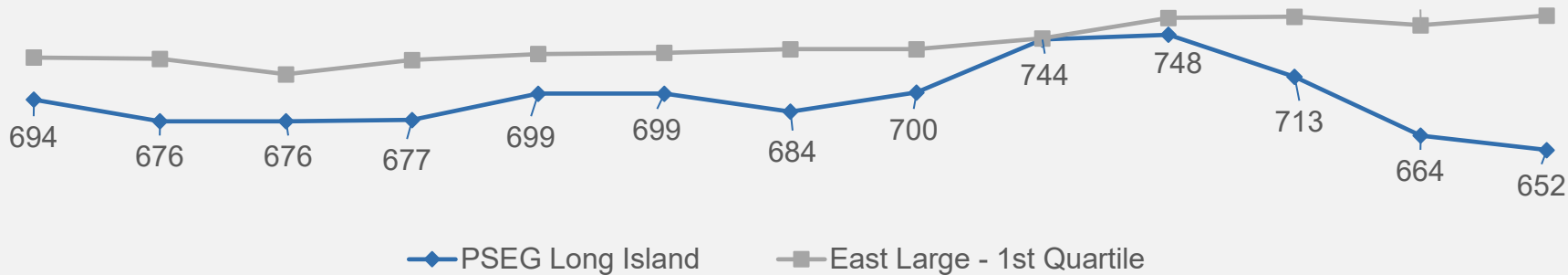
J.D. POWER RESIDENTIAL CUSTOMER SATISFACTION SCORE TREND

Q1
2021

U.S. Rank #143 of 144

East Large #17 of 17

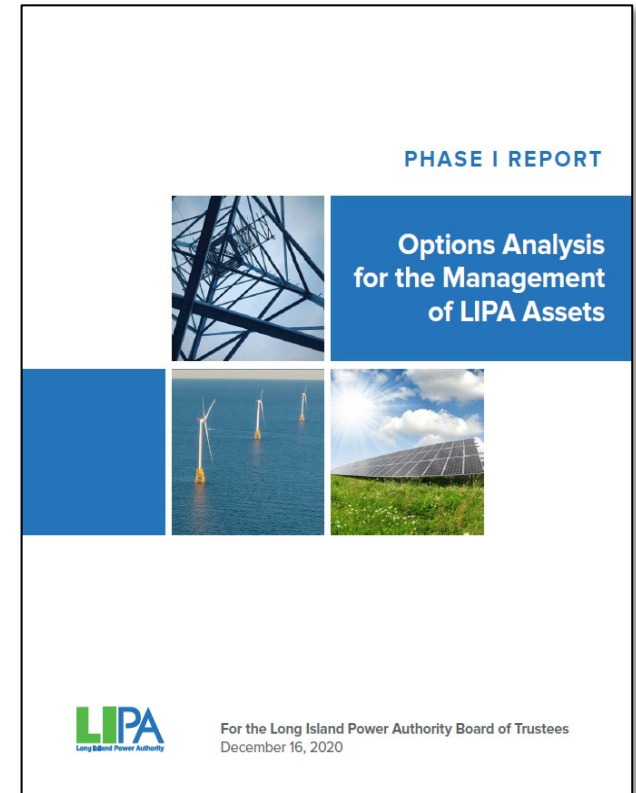
- J.D. Power surveys are conducted in four waves each year
- 1st quarter survey results were released in March 2021 and continue to show a decline after Tropical Storm Isaias



2018 Q1 2018 Q2 2018 Q3 2018 Q4 2019 Q1 2019 Q2 2019 Q3 2019 Q4 2020 Q1 2020 Q2 2020 Q3 2020 Q4 2021 Q1

PHASE I OPTIONS ANALYSIS

- 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



[Click here](#) to view the full report.

PHASE II OPTIONS ANALYSIS

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 be 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

TIMELINE

Due Diligence on Options

Public Engagement to seek input on Options

January

February

March

April

Phase II Options Analysis Presented to the Board

LIPA Board Decision

PSEG OSA Renegotiation

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

QUESTIONS?
