



MAY BOARD MEETING

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MAY BOARD MEETING SIGNIFICANT AGENDA ITEMS

FOR DISCUSSION

- Quarterly Report on PSEG Long Island 2022 Metrics
- PSEG ER&T on Power and Fuel Supply Management*
- Summer Preparation for Power Supply and T&D*
- Review of Quarterly Financial Statements*
- Internal Audit Activities*

FOR APPROVAL

- UDSA Financing Orders
- Annual Reports and Amendments to the Board Policies on:
 - Taxes and PILOTs
 - Customer Value and Affordability
 - Resource Planning and Clean Energy
 - Transmission and Distribution Operations
 - Audit Relationships
- Draft Environmental Impact Statement for the Bridgehampton to Buell Underground 69kV Project
- Board Resolution on Video Conferencing
- Selection of Vendor to Provide Brand Strategy Services

* Discussed in Committee Meetings



TRANSMISSION FOR OFFSHORE WIND





INVESTMENTS TO MEET CLEAN ENERGY GOALS

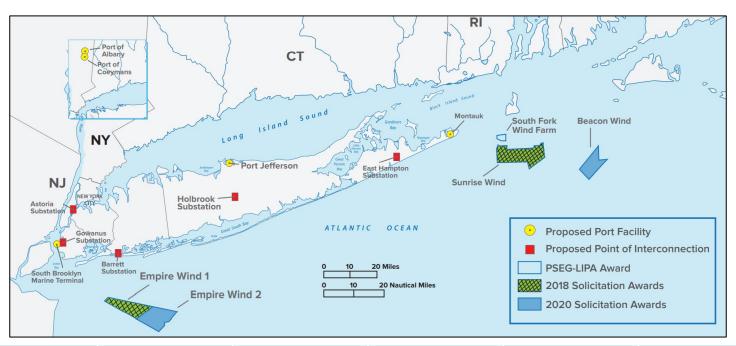
- Investing in upgrades to Long Island infrastructure to integrate offshore wind and other renewables will cost about ~\$1.5 billion by 2030
- LIPA advocated that the cost allocation on transmission needed to meet the Climate Act should be shared uniformly state-wide







NEW YORK OFFSHORE WIND PROJECTS

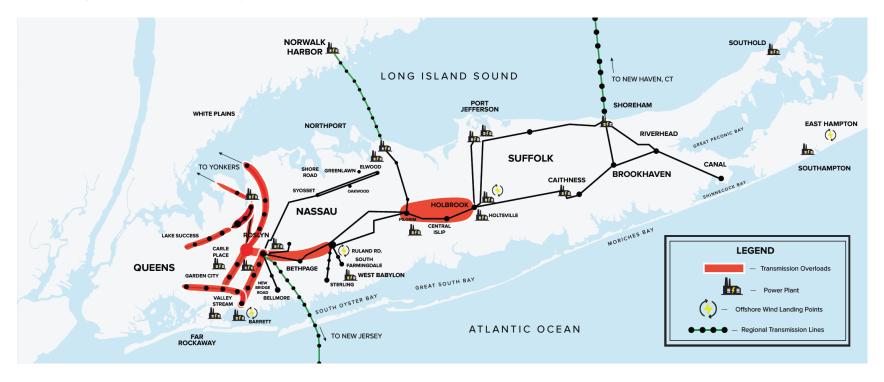


Project Name	Owner	Size (MW)	Contract Off-Taker	Interconnect Utility	In-Service Date
South Fork Wind	Joint Venture: Ørsted and Eversource	130 MW	LIPA	LIPA	2023
Empire Wind 1	Equinor Wind US LLC	816 MW	NYSERDA	ConEd	2024-25
Sunrise Wind	Joint Venture: Ørsted and Eversource	880 MW	NYSERDA	LIPA	2024-25
Empire Wind 2	Equinor Wind US LLC	1,260 MW	NYSERDA	LIPA	2026-27
Beacon Wind	Equinor Wind US LLC	1,230 MW	NYSERDA	ConEd	2028



UPGRADING THE LONG ISLAND ENERGY GRID

- In 2020, LIPA and Con Edison conducted a regional study to connect 9,000 megawatts (MW) of offshore wind to Long Island and New York City
- In 2021, the New York State Public Service Commission (PSC) confirmed in New York State's Power Grid Study that the Long Island's transmission system requires substantial upgrades to move offshore wind-generated electricity onshore and to the rest of the state





TIMELINE & PUBLIC SUPPORT

Timeline

2020

LIPA & Con Ed conducts study of transmission upgrades necessary for 9,000 MW of offshore wind

March 2021

PSC determines that offshore wind transmission is a public policy need. Issues order allocating up to 75% of costs to "beneficiaries"

May 2021

PSC grants a limited stay on a final decision on cost allocation

January 2021

PSC releases initial report on New York State's Power Grid Study

April 2021

LIPA & ConEd file petition for rehearing, arguing that costs should be shared statewide

May 2022

Final PSC ruling allocating 100% of PPTN costs statewide by load share

Public Support

LIPA's position was supported by many local and state elected officials, and organizations representing government, business, labor, and non-profits throughout the service territory





















PUBLIC POLICY TRANSMISSION NEEDS RULING

- Last week, the PSC issued an order allocating the cost to all electric customers in New York of transmission upgrades needed to interconnect offshore wind from Long Island to the rest of the state:
 - "...the Commission found that the CLCPA is driving the need for additional transmission facilities between Long Island and New York City, and therefore constitutes a Public Policy Requirement."
 - "...at least 3,000 MW of offshore wind are expected to be interconnected onto Long Island, which "illustrates an impending [transmission] need for upgrades to onshore transmission facilities to assure that the offshore wind energy expected to be injected into New York City and Long Island can be distributed to the State at large."
- LIPA customers will pay around 13% of the costs for these transmission projects rather than up to 75%+
- Decision will save our customers hundreds of millions of dollars, and potentially more over time as additional transmission projects are built beyond this initial set

STATE OF NEW YORK PUBLIC SERVICE COMMISSION

> At a session of the Public Service Commission held in the City of Albany on May 12, 2022

COMMISSIONERS PRESENT:

Rory M. Christian, Chair Diane X. Burman, dissenting James S. Alesi Tracey A. Edwards John B. Howard, dissenting David J. Valesky John B. Maggiore

CASE 20-E-0497 - In the Matter of New York Independent System Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration for 2020.

CASE 18-E-0623 - In the Matter of New York Independent System Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration for 2018.

ORDER ON PETITIONS FOR REHEARING
(Issued and Effective May 16, 2022)

BY THE COMMISSION:

INTRODUCTION

On March 19, 2021, the Public Service Commission (Commission) issued an "Order Addressing Public Policy Requirements for Transmission Planning Purposes" (March 2021 Order) in the above-referenced cases, addressing the Public Policy Requirements proposed by several entities as part of the biennial Public Policy Transmission Planning Process specified under Attachment Y of the Open Access Transmission Tariff (OATT) adopted by the New York Independent System Operator, Inc.

Case 20-E-0497



2022 STATE BUDGET HIGHLIGHTS





NEW YORK STATE LEGISLATIVE COMMISSION ON THE FUTURE OF LIPA

The 2022 New York State budget enacted a Legislative Commission on the Future of LIPA.

This Commission will:

- Comprise of members of the Legislature appointed in a bipartisan manner guided by an Advisory Committee of local stakeholders representing diverse interests
- Engage the community and conduct an indepth examination of LIPA's future as a public utility, including whether LIPA should implement a full public power management model for the first time in its history

By the end of 2023, LIPA will move forward with either the recommendations of the Commission or the process to rebid the PSEG Long Island contract in advance of its 2025 expiration

TOP STORIES

Building a public LIPA

Work starts soon on panel to plot utility conversion

power utility begins in earnest this week, the start of an effort point for the utility to get back to its founding vision

to its founding vision.

The Long Island Power Authority once characterized the measure — approved as part of the state's recent budget — as a "study bill" But it is considerably more than that, with set timelines to form a commission and advisory council for a componential processor of the control of the prehensive review and to create legislation to turn LIPA into a

necessary to restructure LIPA into a true publicly owned power authority." The commis-

and a directive to produce a final report by April J, 2023. With PSEG's contract to man-age the electric grid expiring by the end of 2025, there's little time to waste, legislators said. "We have a very aggressive time frame to do all this work so we need to get going and get going fast," said Assemb. Fred Thiele (I-Sag Harbor). He's been in contact with the Assem-

nodels Thiele said have failed. models Thiele said have failed.

"We have plenty of experience
with the private model and the
third-party manager model" not
working, he said, noting the
Long Island Lighting Co. operated as a private company before
LIPA bought its assets in the late
1990s. "The focus of this is that at
the end of the process we have



as we to create againston to unr Liva Nusy punits by the end of 2022.

The creating LIPA, Karnindys aid hed an evertheless "like to see the stable power model" for LIPA. We have to look at it with a contract the country of the coun

the legislation and all the other questions answered so we can

tion."

Wording in the legislation itself takes issue with the past performance of LIPA as it has been
managed by outside companies,
and notes that model has produced "unsatisfactory results."
"Consequently, it is the purpose of this section to imple-

ment the original vision for LIPA intended by the [1986 law that enteriored by the LI986 law that created LIPAl as a publicly owned power company," the new law states.

new law states.
Under the fully public model,
LIPA itself would hire a team of
top managers to run the utility
rather than pay PSEG to do it.
The move would save LIPA \$80 million a year or more in managemillion a year or more in manage-ment fees and take the profit mo-tive out of the equation. More than 2,000 unionized workers and middle managers would re-port to LIPA top brass, who would directly control the truck fleets, power source decisions and budgeting.

Some are skeptical

Not all legislators are convinced it's the way to go — yet.

Outgoing State Sen, Todd Kamin-

the utility to a private company, the trilly and the legislative sponsor relected the idea. Some property of the legislative sponsor relected the idea. The legislative sponsor relected the idea was the legislative that Cohen said the LIA Continues to evaluate the electric utility model that would not expense the most reliability, accountability and affordability, and affordability and the legislative model and privatization, on the table: municipalization, an improved public private model and privatization, after public hearings and consultations with an advisory council, to determine the new prover transparency, accounted.

prove transparency, account-ability and public involvement, improve reliability and storm response, and to determine the

would that affect our ability to pargain for wages and working conditions, retirement issues?" The law calls for a commis-

be appointed by the Senate ma sembly speaker, and one each by the minority leaders of the Senate and Assembly.

mental groups, energy, social jus-tice, school districts and others. tice, school districts and others. It's authorized to draw informa-tion, assistance and data from agencies such as the Department of Public Service and the utility to complete its work.

LIPA, in a statement, said it looked forward to "both working with and supporting the legisla-tive commission in the best inter-section." Mean while, LIPA said its new contract

rovider for Long Island and the

unions at the table; Gauphran skill controlled to the commission and t

sky (D-Long Beach) has said he had "great reservations" about a fully public LIPA from "past itera-tions of when it ran as a state-owned utility. I don't think the performance was all that great." Reminded that the LIPA name on the trucks was actually Na-tional Grid behind the scenes opit will also determine what role, if any, the state Department of Public Service and the Public Service Commission will have over the new LIPA and examine LIPA's swelling debtload and long-term planning, its tax struc-ture, its plan to increase renew-ables and "any other matter rele-



entity right now, it's just not being operated as one normally would." The plan, he said, should be to determine how to 'once and for all restore the intent of the original creation of LIPA to be a municipal authority that gives the people of Long Island and Queens transparency, reli-able service and the lowest cost."



CLIMATE-FRIENDLY HOMES

- New York State committed to support the development of at least 1 million electrified homes and up to 1 million electrification-ready homes by 2030
- The 2022 Enacted Budget provides funding for a \$25 billion, five-year Capital Housing Plan to create and preserve 100,000 affordable homes and electrify an additional 50,000 homes





OFFSHORE WIND



- The 2022 Enacted Budget includes a \$500 million investment to develop the state's offshore wind supply chains and port infrastructure
- This nation-leading initiative will create 2,000 jobs in a growing industry, while helping to make New York the offshore wind capital of the country



LOOK AHEAD OF PRIORITY ITEMS

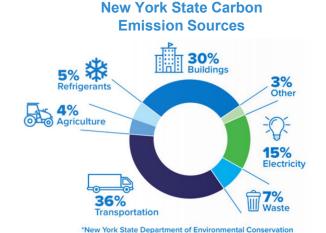




HEATING OIL PRICES & BUILDING DECARBONIZATION

- Newsday: "For the week of April 25, average heating oil prices on Long Island hit \$5.50 a gallon, according to the New York State Energy Research and Development Authority, a 74% increase from the \$3.16-a-gallon price of a year ago"
- Buildings produce nearly a third of New York's carbon emissions
- Steps need to be taken to reduce Long Island's carbon footprint, including the electrification of heat and hot water in buildings and homes
- LIPA initiatives, such as promoting cold climate heat pumps and implementing a Time-of-Day rate, can help customers save on both carbon and money





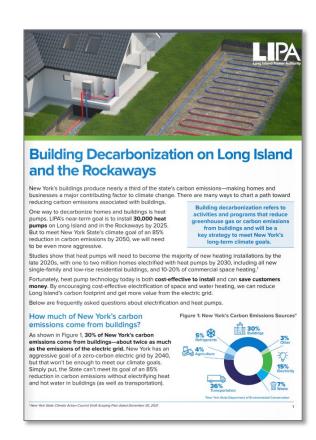


HEAT PUMP INITIATIVE

Objective: Leverage our customer insights, relationships, and contractor network to accelerate heat pump adoption

Focus Areas

- 1. Empowering the private market and contractor network with tools and information
- Streamlining and standardizing the customer experience
- 3. Leveraging utility data and insights for customer segmentation and targeting
- Broadening our reach through statewide collaboration and partnerships



Fact Sheet



TIME-OF-DAY RATES

What is a Time-of-Day Rate? A rate structure where eligible customers can opt into to pay different rates for electricity based on the time of day they use it

Timeline:

- December 2021: LIPA and the New York Solar Energy Industries Association (NYSEIA) propose phasing-in a Customer Benefit Charge and plan for a 2024 transition to opt-out time-of-day rates for residential customers
- June 2022 August 2022: Stakeholder meetings
- September 2022: Tariff proposal
- November 2022: Public hearings
- December 2022: LIPA Board consideration
- 2023: Customer outreach and engagement, IT improvements and testing, business process modifications, change management



COVID ARREARS FORGIVENESS

- The New York State budget allocated \$250 million statewide for COVID-19 arrears forgiveness
- The Department of Public Service (DPS) is currently conducting a working group to determine eligibility and allocation of funding among utilities
- DPS and LIPA staff are considering a proposal to forgive all low-income customer arrears incurred prior to May 1, 2022
- Arrears of LIPA customers enrolled in the low-income program are approximately \$28 million
- State budget allocation to cover between \$9 million and \$10 million
- Customers eligible but not yet enrolled in the low-income program would have the opportunity to enroll by December 31, 2022 to receive the forgiveness benefit



Discussion

Questions?



