<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>2023 Budget &amp; Metric Update</td>
</tr>
<tr>
<td>02</td>
<td>Time-of-Day Rate Proposal for 2024</td>
</tr>
<tr>
<td>03</td>
<td>COVID-19 Electric Bill Credit Program</td>
</tr>
<tr>
<td>04</td>
<td>LIPA’s Department of Energy Grant Submission</td>
</tr>
<tr>
<td>05</td>
<td>Community News</td>
</tr>
<tr>
<td>06</td>
<td>Legislative Commission Update</td>
</tr>
<tr>
<td>07</td>
<td>Roundtable Discussion</td>
</tr>
</tbody>
</table>
2023 BUDGET & METRICS UPDATE
LIPA BOARD'S STRATEGIC OBJECTIVES

1. Reliability and Resiliency
   - Top 10% reliability among peer utilities
   - Improve circuit conditions that cause repeated customer outages
   - Invest in system resiliency to reduce outages and restoration times from severe weather
   - Independently verify and validate PSEG Long Island's emergency restoration planning

2. Customer Experience
   - Deliver top 25% customer satisfaction in J.D. Power studies
   - Continual improvement in ease of customer interaction, as measured by customer surveys
   - Invest in technology to enhance the convenience of billing, payments, appointments, emergency restorations, etc.

3. Information Technology and Cybersecurity
   - Deploy modern grid management technology and data analytics benchmarked to the top 25% of utilities
   - Protect digital infrastructure and customer data, as measured by an annual independent assessment of cybersecurity practices
   - Clearly communicate customer information collection policies

4. Clean Energy
   - 70% renewable energy by 2030
   - Zero-carbon electric grid by 2040
   - Encourage beneficial electrification of transportation and buildings (i.e., electric vehicles and cold climate heat pumps)

5. Customer Affordability
   - Maintain regionally competitive electric rates
   - Prioritize investments to balance cost and service quality
   - Maintain affordable electric bills for low-income customers and disadvantaged communities

6. Fiscal Sustainability
   - Achieve AA-category credit ratings by reducing LIPA’s debt-to-assets ratio from 90%+ to 70% or less by 2030
   - Maximize grants and low-cost funding sources
   - Develop budgets and financial plans that maximize customer value and aggressively manage costs
   - Provide LIPA’s customers and investors with timely, transparent, accurate, and useful information to evaluate LIPA’s financial performance and plans
LIPA’S PRIORITIES FOR 2023

• The Board’s strategic objectives are turned into annual budget and performance metrics.

• The 2023 Performance Metrics and Budget are available to the public to view at lipower.org. A copy was sent to all members of the Community Advisory Board.

• Performance reports are provided to the LIPA Board quarterly and are available to the public.
The LIPA Board of Trustees has set objectives for reliability and resiliency to measure management’s performance.

LIPA Board’s **reliability** objectives:

- Provide **top decile levels of reliability** as measured by system average outage duration.
- **Improve circuit conditions** that cause customers to experience 4 or more sustained or 6 or more momentary outages in any 12-month period.
- Utilize **modern system design and technology** to anticipate and minimize outages, and provide for **preventative and predictive maintenance**.

LIPA Board’s **resiliency** objectives:

- Mitigate effects of climate change through multi-year programs to **reduce the number and duration of outages caused by storms**.
- Assure **timely and accurate communication** to customers about outages and restoration times.
- Independently verify emergency restoration plans and testing of IT systems.
LIPA has invested a record $5.7 billion in infrastructure since 2016 to improve the reliability and resiliency of Long Island’s electric grid.
Customers with Power Outages 37%

Customers with > 4 Outages Per Year 71%

Customers with “Flicker” Interruptions 58%

National Utilities Ranking for Reliability TOP 10%

RELIABILITY INVESTMENTS = REAL RESULTS
MEETING NEW YORK’S CLEAN ENERGY GOALS

NEW YORK STATE CLIMATE ACT GOALS

- Renewables: 70% by 2030
- Electric Sector GHG Reduction: 100% by 2040
- Offshore Wind: 9,000 MW by 2035
- Solar Energy: 6,000 MW by 2025, 10,000 MW by 2030
- Battery Storage: 6,000 MW by 2030
- Energy Efficiency: 185 trillion BTU reduction by 2025
- Electric Vehicles: 100% zero-emission vehicles by 2035
In June 2021, LIPA and PSEG Long Island launched an Integrated Resource Plan (IRP) to study the transition to a zero-carbon grid by 2040.

The IRP will result in an action plan for the period of 2023 to 2030 that will recommend key actions and investments needed to achieve state goals while continuing to meet the electricity needs of LIPA’s customers reliably and cost-effectively.

IRP preliminary results will be available in Q1 2023.

An initial public hearing was held in September 2021. Additional opportunities for public input will be provided as study results are available.
Long Island clean energy projects will **reduce LIPA’s carbon footprint over 72% by 2030**

### Long Island Clean Energy Projects In Service by 2030

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Size (MW AC)</th>
<th>In-Service (Est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Solar (914 MW)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Island Solar Farm</td>
<td>32</td>
<td>2011</td>
</tr>
<tr>
<td>Eastern Long Island Solar Project</td>
<td>11</td>
<td>2013</td>
</tr>
<tr>
<td>Shoreham Solar Commons</td>
<td>25</td>
<td>2018</td>
</tr>
<tr>
<td>Riverhead Solar</td>
<td>20</td>
<td>2019</td>
</tr>
<tr>
<td>Kings Park Solar 1 and 2</td>
<td>4</td>
<td>2019</td>
</tr>
<tr>
<td>Solar Feed-in Tariffs I-III</td>
<td>89</td>
<td>2021-2022</td>
</tr>
<tr>
<td>LI Solar Calverton</td>
<td>23</td>
<td>2021</td>
</tr>
<tr>
<td>Behind-the-Meter</td>
<td>695+</td>
<td>2030</td>
</tr>
<tr>
<td>Solar Communities (FIT V)</td>
<td>15</td>
<td>2022</td>
</tr>
<tr>
<td><strong>Offshore Wind (2,366 MW)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Fork Wind Farm</td>
<td>130</td>
<td>2023</td>
</tr>
<tr>
<td>Sunrise Wind</td>
<td>880</td>
<td>2025</td>
</tr>
<tr>
<td>Empire Wind 2</td>
<td>1,356</td>
<td>2026</td>
</tr>
<tr>
<td><strong>Energy Storage (750 MW)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Hampton &amp; Montauk Storage</td>
<td>10</td>
<td>2018 &amp; 2019</td>
</tr>
<tr>
<td>2022 RFP Awards</td>
<td>175+</td>
<td>2025</td>
</tr>
<tr>
<td>Future Storage Additions</td>
<td>565</td>
<td>2030</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,030 (MW AC)</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Long Island and Rockaways Electric Grid Carbon Emissions 2010-2030

<table>
<thead>
<tr>
<th>Year</th>
<th>2010 CO2 (Mtons)</th>
<th>2020 CO2 (Mtons)</th>
<th>2030 CO2 (Mtons)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12.3</td>
<td>7.7</td>
<td>3.4</td>
</tr>
</tbody>
</table>
• Cold climate heat pumps can help customers save on both carbon and money

• LIPA seeks to leverage our customer insights, relationships, and contractor network to accelerate heat pump adoption

---

**BUILDING DECARBONIZATION SAVES MONEY & CARBON FOR LONG ISLAND**

- Long Island homes heat with oil at eight times the national average.
- Long Island households could save money and reduce their carbon footprint with heat pumps.

---

**Long Island Homes Heat with Oil at Eight Times the National Average**

- 49% Natural Gas
- 40% Fuel Oil
- 7% Electricity
- 4% Other

**U.S.**

- 39% Electricity
- 5% Fuel Oil
- 8% Other

---

**Long Island Households Could Save Money and Reduce Their Carbon Footprint with Heat Pumps**

<table>
<thead>
<tr>
<th></th>
<th>Existing Building - Oil Boiler</th>
<th>Buying New Central Air Conditioning</th>
<th>Buying New Air-Source Heat Pump</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upfront Cost</strong></td>
<td>$12,646</td>
<td>$22,132</td>
<td></td>
</tr>
<tr>
<td><strong>LIPA Rebate</strong></td>
<td>-</td>
<td>-</td>
<td>-$4,600</td>
</tr>
<tr>
<td><strong>Federal Tax Credit</strong></td>
<td>-</td>
<td>-</td>
<td>-$2,000</td>
</tr>
<tr>
<td><strong>Net Cost</strong></td>
<td>$12,646</td>
<td>$15,532</td>
<td></td>
</tr>
<tr>
<td><strong>Annual Home Heat Bill</strong></td>
<td>$2,581</td>
<td>$1,099</td>
<td></td>
</tr>
<tr>
<td><strong>Annual Savings</strong></td>
<td>-</td>
<td>-</td>
<td>$1,482</td>
</tr>
<tr>
<td><strong>Payback Period</strong></td>
<td>1.9 years</td>
<td>1.9 years</td>
<td></td>
</tr>
<tr>
<td><strong>Carbon Footprint from heating (2022)</strong></td>
<td>-</td>
<td>-</td>
<td>-46%</td>
</tr>
<tr>
<td><strong>Carbon Footprint from heating (2040)</strong></td>
<td>-</td>
<td>-</td>
<td>-100%</td>
</tr>
</tbody>
</table>

*Low- to moderate-income households are eligible for LIPA rebates that cover 70% or more of the cost of installing a heat pump as well as federal tax credits of up to $8,000.*
LIPA has an **$88 million plan** to build out the infrastructure to support more than **4,700 EV chargers across Long Island and the Rockaways by 2025**

This infrastructure plan supplements LIPA’s other EV initiatives, including home smart charger incentives, public fast charger incentives, and electric rate discounts for charging at off-peak times.

In service charging ports include all publicly accessible ports in LIPA’s service territory, according to NYSERDA data. Targeted ports are based on PSEG Long Island filed make-ready targets.
TIME-OF-DAY RATE PROPOSAL FOR 2024
LIPA IS MOVING TO TIME-OF-DAY RATES IN 2024

NEW LIPA PLAN
REWARD FOR OFF-PeAK POWER USE

Imposes higher rates from 3 p.m. to 7 p.m. and gives discounts at other times

Promises money back if customer bills rise in first year

AS | UPDATE AT NEWSDAY.COM

9 NEW RESTAURANTS TO TRY IN 2023
EXPLORiE Li

TOP STORIES
Off-peak incentive

LIPA's rate plan has savings for usage in less busy hours

Q&A
- What is the benefit of adjusting time of day rates?
- What types of peak or off-peak changes?
- How will the new rates be implemented?

LIPA's rate plan will have two time-of-day periods: "peak" and "off-peak." Customers can use energy at off-peak times and save money. The "off-peak" period is from 3 p.m. to 7 p.m. and customers will receive a discount on their bills.
LIPA IS MOVING TO TIME-OF-DAY RATES IN 2024

- LIPA will offer a standard Time-of-Day (TOD) rate plan for residential customers in 2024.
- Peak hours are 3 p.m. to 7 p.m. on weekdays. Electricity will be cheaper “off peak” 88% of the hours of the year including all day on weekends and holidays.
- LIPA will deploy services and tools to educate customers and help them make the most of the new plans. Customers who try TOD will receive a 1-year Bill Protection Guarantee and can switch back to their current rate plan at any time. Customers will be notified 90, 60 and 30 days before transition.
- Shifting electric use during a few peak hours to other times of day results in cleaner and less expensive energy use and helps prevent high-cost upgrades to the electric grid (substations, transformers) to meet peak capacity.

<table>
<thead>
<tr>
<th>December 2021</th>
<th>2022</th>
<th>March 2023</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIPA, solar industry, and stakeholders agree to plan to transition to TOD</td>
<td>Research, planning, and stakeholder engagement</td>
<td>LIPA Board to consider TOD rate design</td>
<td>Operational and IT preparations</td>
<td>Phased transition of customers</td>
</tr>
</tbody>
</table>
SAVINGS POTENTIAL

- Over **80% of customers will pay less on time-of-day rates** without changing their routines as most energy is consumed off peak.

**Customer Bill Savings on the Time-of-Day Rate and Super Off-Peak Rates**

With the modernized TOD Rate, customers who run appliances before 3 p.m. or after 7 p.m. will save money as compared to the Flat Rate. With the optional Super Off-Peak Rate, customers can save even more by running appliances after 10 p.m. and before 6 a.m.

<table>
<thead>
<tr>
<th></th>
<th>TOD Rate (Save before 3 p.m. or after 7 p.m.)</th>
<th>Super Off-Peak Rate (Smaller savings before 3 p.m. or after 7 p.m. and larger discounts between 10 p.m. and 6 a.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>**Initial Savings†</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Before any Changes to Electric Use)</td>
<td>Save $3.50 per month</td>
<td>Save $5.75 per month</td>
</tr>
<tr>
<td><strong>Dishwasher</strong></td>
<td>Save $0.50 per month</td>
<td>Save $1.50 per month</td>
</tr>
<tr>
<td><strong>Washing machine</strong></td>
<td>Save $1.75 per month</td>
<td>Save $4.50 per month</td>
</tr>
<tr>
<td><strong>Electric dryer</strong></td>
<td>Save $2.25 per month</td>
<td>Save $6.00 per month</td>
</tr>
<tr>
<td><strong>Pre-cool home before 3 p.m.</strong></td>
<td>Save $12.75 per month (in the summer)</td>
<td>Save $13.75 per month (in the summer)</td>
</tr>
<tr>
<td><strong>Pool Pump</strong></td>
<td>Save $4.00 per month (in the summer)</td>
<td>Save $6.50 per month (in the summer)</td>
</tr>
<tr>
<td><strong>Battery storage optimized use</strong></td>
<td>Save $40.00 per month</td>
<td>Save $51.25 per month</td>
</tr>
<tr>
<td><strong>Electric vehicle</strong></td>
<td>Save $43.50 per month</td>
<td>Save $56.50 per month</td>
</tr>
<tr>
<td><strong>Total Savings</strong></td>
<td>Save up to $91.50 per month ($108.25 in the summer)</td>
<td>Save up to $125.50 per month ($145.75 in the summer)</td>
</tr>
</tbody>
</table>

**Note:** These estimates are based on average household appliance usage. The typical household already uses most of its electric off-peak, so the "initial savings" is without assuming changes to electric usage. The additional savings estimates for dishwashers, laundry, pool pumps, and electric vehicles assume customers move their appliance usage to the lowest price period. The "initial savings" does not include savings for customers with pool pumps or EVs, as their usage is higher than the typical customer. Pre-cooling and pool pump savings only apply to the summer months. The battery storage example shows the savings available from using residential storage to optimize a TOD rate. LIPA will help every customer estimate their individual savings potential based on their actual usage patterns.
Most customers save money on TOD.

- On average, customers will save $3.50 per month.

- Customers who move a portion of their usage to off-peak times can save more money.

*These are the rates that would apply if the program were launched in 2023.
Deep discounts overnight.

- “Super off-peak” hours from 10 p.m. to 6 a.m. every day.

- Low super off-peak pricing creates bigger savings for customers who can use more overnight.

*These are the rates that would apply if the program were launched in 2023.
## 2024 RESIDENTIAL RATE PLANS

### New Plans in 2024

**Time-of-Day (TOD) Rate**
**New standard rate**
- Peak price from 3 p.m. to 7 p.m. on weekdays (excluding holidays)
- Off-peak price during all other hours
- 1-year Bill Protection Guarantee

**Super Off-Peak Rate**
**New optional rate with deeper overnight discount**
- Peak price from 3 p.m. to 7 p.m. on weekdays (excluding holidays)
- Super off-peak price from 10 p.m. to 6 a.m. every day
- Off-peak price during all other hours
- 1-year Bill Protection Guarantee

### Existing Plans

**Flat Rate**
*Optional rate with same price all-day, like the current standard rate*
- Same price all-day
- Same structure as current standard rate
- Higher price for usage above 250 kW per month (summer only)

**Other Options**
*Less common optional rates*
- Electric heating rate
- Long Island Choice and Green Choice
- Existing Time-of-Use pilots will remain available for enrolled customers and will be closed to new customers
LIPA will hold two public hearings on February 21, 2023, where customers can sign up to speak. LIPA will also accept written public comments until February 27, 2023. Written comments can be submitted by emailing TODpubliccomments@lipower.org.

The proposal is scheduled for consideration at the March 29, 2023 meeting of the LIPA Board of Trustees in Uniondale, New York. Consideration by the Board of rate and tariff changes are held in open session and the public is always invited to attend and speak. For more information on how to attend and participate in public hearings and Board meetings, please visit lipower.org.

For more information, view LIPA’s Fact Sheet on Time-of-Day Rates.
COVID-19 ELECTRIC BILL CREDIT PROGRAM
NEW LIPA PLAN

UP TO $2G CREDIT FOR OVERDUE BILLS

As many as 44,000 ratepayers who fell behind are eligible for help

WHAT TO KNOW
- LIPA will provide a new one-time credit of up to $2,000 for eligible ratepayers.
- The credit will not reduce the amount of money owed.
- The program will end after May 31, 2022.
- The credit will be a one-time offering.
- LIPA customers who received credits in past years will not be eligible.

Residents Run Aftol Of Rules

GIANTS VS. EAGLES TONIGHT IN PLAYOFF SHOWDOWN

SPORTS

FAIRFIELD ILLEGALLY KEPT SECURITY DEPOSITS

AG:

COVID-19 BILL CREDIT PROGRAM

LIPA TO BEGIN PROGRAM FOR OVERDUE BILLS HELP

$2,000 credits for bills accrued by May 1, 2022

WHAT TO KNOW
- LIPA will provide a new one-time credit of up to $2,000 for eligible ratepayers.
- The credit will not reduce the amount of money owed.
- The program will end after May 31, 2022.
- The credit will be a one-time offering.
- LIPA customers who received credits in past years will not be eligible.

GIANTS VS. EAGLES TONIGHT IN PLAYOFF SHOWDOWN

SPORTS

FAIRFIELD ILLEGALLY KEPT SECURITY DEPOSITS

AG:
Elements of Phase 2 *(same as IOU program)*

1. One-time bill relief for residential customers not relieved in Phase 1 and small commercial customers
2. The arrears must be from the COVID-19 period (before May 1, 2022)
3. The credit is subject to an “up to” cap per customer ($2,000 for residential), which is designed to eliminate COVID-19 period arrears for 75% of customers
4. Bill credit is automatic (customer does not need to sign up)
5. Allow reinstatement, through June 30, 2023, of accounts held by eligible residential customers who were shut off in 2022
6. Existing reconciliation mechanism reconciles bad debt expense (budgeted to accrued)
7. Suspend residential shut-offs through the later of March 1, 2023, or 30 days after credits have been applied

Details

- LIPA and PSEG LI participated in the Energy Affordability Policy working group since 2021 and implemented bill discount increases and Phase 1 arrears forgiveness
- $42M in residential arrears to be forgiven in Phase 2, helping ~44,000 customers
- $1.5M-2.7M in small commercial arrears to be forgiven in Phase 2
- $33M already in rates (bad debt reserves); remainder subject to true-up
- Residential credit to be applied on February 1; small commercial to follow in February
LIPA – U.S. DEPARTMENT OF ENERGY GRANT SUBMISSION
LIPA’s status as a public power utility makes it eligible for federal grants not available to investor-owned utilities and has reduced costs for customers by $1.8 billion over the last decade.

### MINIMIZING COST TO CUSTOMERS

<table>
<thead>
<tr>
<th>Federally Declared Weather and Other Events</th>
<th>LIPA Recovery Cost</th>
<th>Federal Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tropical Storm Irene (2011)</strong></td>
<td>$170 million</td>
<td>$154 million</td>
</tr>
<tr>
<td><strong>Superstorm Sandy Restoration (2012)</strong></td>
<td>$671 million</td>
<td>$660 million</td>
</tr>
<tr>
<td><strong>Superstorm Sandy Storm Hardening (2016-2020)</strong></td>
<td>--</td>
<td>$656 million</td>
</tr>
<tr>
<td><strong>Winter Storm Nemo (2013)</strong></td>
<td>$17 million</td>
<td>$11 million</td>
</tr>
<tr>
<td><strong>Winter Storm Stella (2017)</strong></td>
<td>$14 million</td>
<td>$4 million</td>
</tr>
<tr>
<td><strong>Tropical Storm Isaias (2020)</strong></td>
<td>$309 million</td>
<td>$276 million</td>
</tr>
<tr>
<td><strong>Tropical Storm Isaias Storm Hardening (2023+)</strong></td>
<td>--</td>
<td>$400+ million*</td>
</tr>
<tr>
<td><strong>COVID-19 Pandemic (2020-2022)</strong></td>
<td>$28 million</td>
<td>$27 million*</td>
</tr>
<tr>
<td><strong>Tropical Storm Ida (2021)</strong></td>
<td>$9 million</td>
<td>$7 million</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$1.2 BILLION</td>
<td>$1.8 BILLION*</td>
</tr>
</tbody>
</table>

*Application pending; total excludes grants not yet awarded.*
On January 13, LIPA submitted a concept paper under the Grid Resilience and Innovation Program, authorized under the Bipartisan Infrastructure Law (BIL). **LIPA is eligible for the grant as governmental entity**

LIPA is seeking a **federal grant of $250 million** toward $500 million of upgrades to the Transmission & Distribution System to allow for additional interconnection capacity for Distributed Energy Resources (DER).

The proposal builds upon two recent actions taken by LIPA to address hosting capacity constraints and lower interconnection costs for project developers:

- (1) a recently launched Interconnection Cost Sharing 2.0 Framework and
- (2) a study to identify distribution system constraints and technical solutions to address those constraints on LIPA’s distribution circuits, utilizing the latest distribution system modeling technology, smart inverter breakthroughs, and recently upgraded hosting capacity mapping technology.

LIPA will partner with developers and municipalities to interconnect community solar and other DERs serving low-income customers and disadvantaged communities.

The initial determination of support by DOE is expected to be announced on February 24th. Full grant applications are due on May 19th.
Over 40% of LIPA’s distribution feeder circuits have less than 1 MW of available average hosting capacity, and 22% have no capacity at all.
Applications for the LIPA Scholarship are now available at lipower.org/scholarship.

Announced in November, the program is open to students from historically underrepresented communities who will be attending either Nassau Community College or Suffolk County Community College and are pursuing associate degrees/certificates related to the electric utility or clean energy sectors.

The program intends to create new talent pipelines to meet the growing demand for clean energy jobs in our region.

LIPA will be conducting outreach to high schools in eligible areas early this year.
LEGISLATIVE COMMISSION UPDATE
The 2022 New York State budget enacted a Legislative Commission on the Future of LIPA to investigate and report to the legislature on the establishment of a public power model of management for LIPA’s assets.

Members of the Commission have been announced. There is also an Advisory Committee to the Commission.

Six hearings have been held across Long Island and the Rockaways.

LIPA’s goal is to provide the Commission with objective research and analysis on relevant topics.