



# POWER AND FUEL SUPPLY MANAGEMENT

LIPA BOARD OF TRUSTEES

MARCH 25, 2026



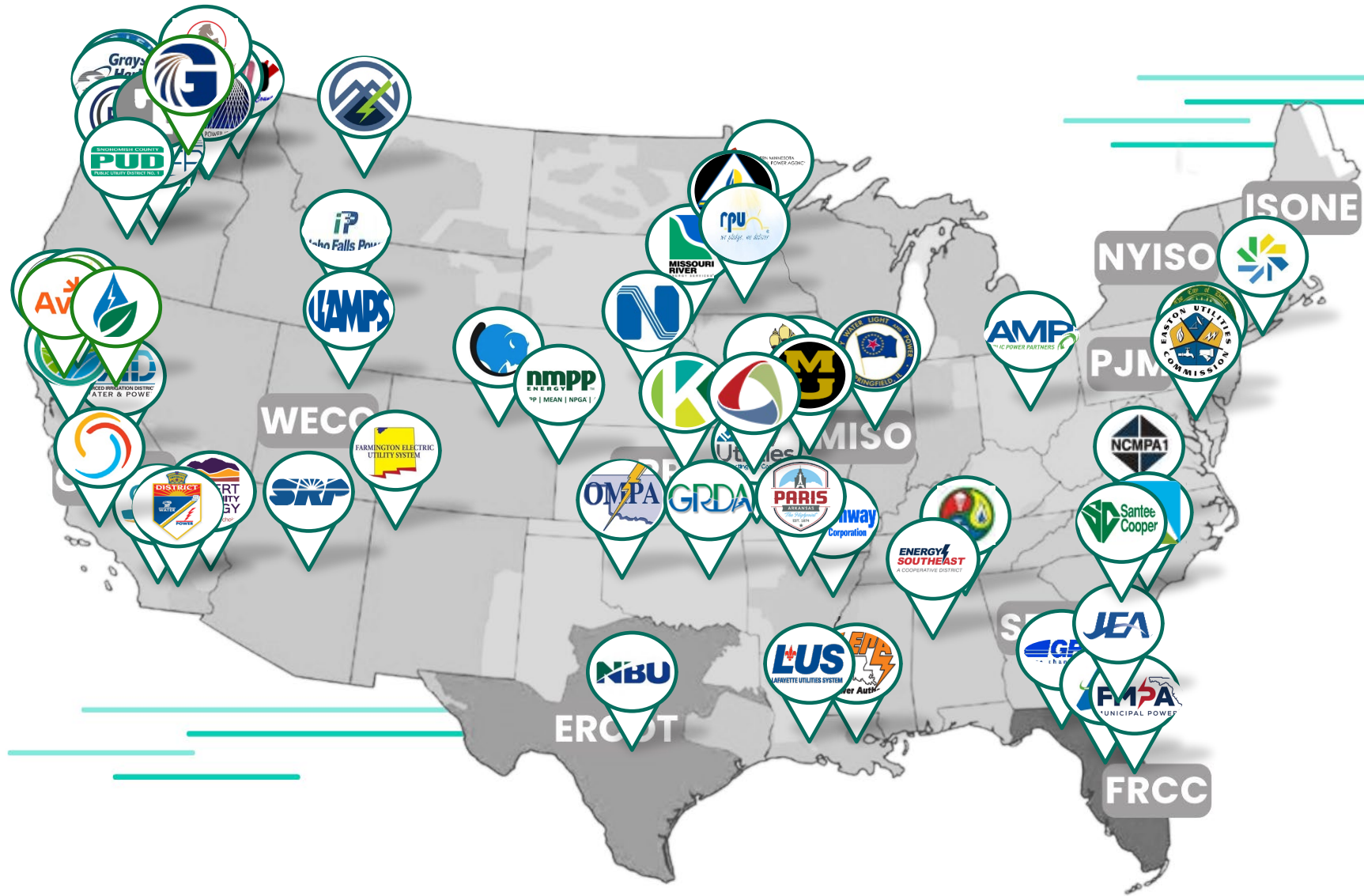
# TEA

## **PUBLIC POWER**

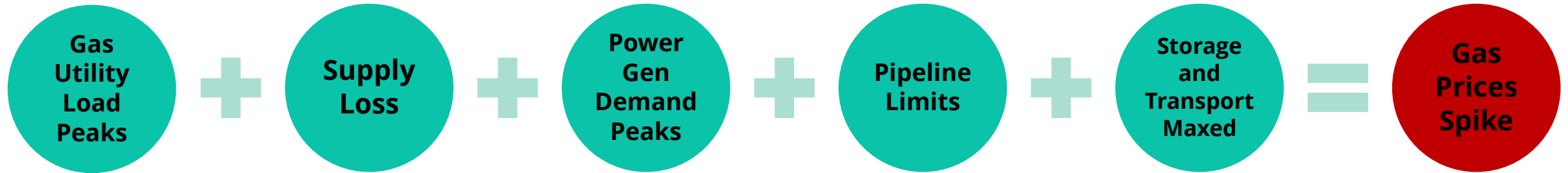
- Local Ownership, Control & Governance
- Non-Profit
- Physical Complexity
- Public Pressures

## **ENERGY MARKET**

- Financial Complexity
- Dynamic
- Competitive
- Data Intensive
- Specialized Skillsets

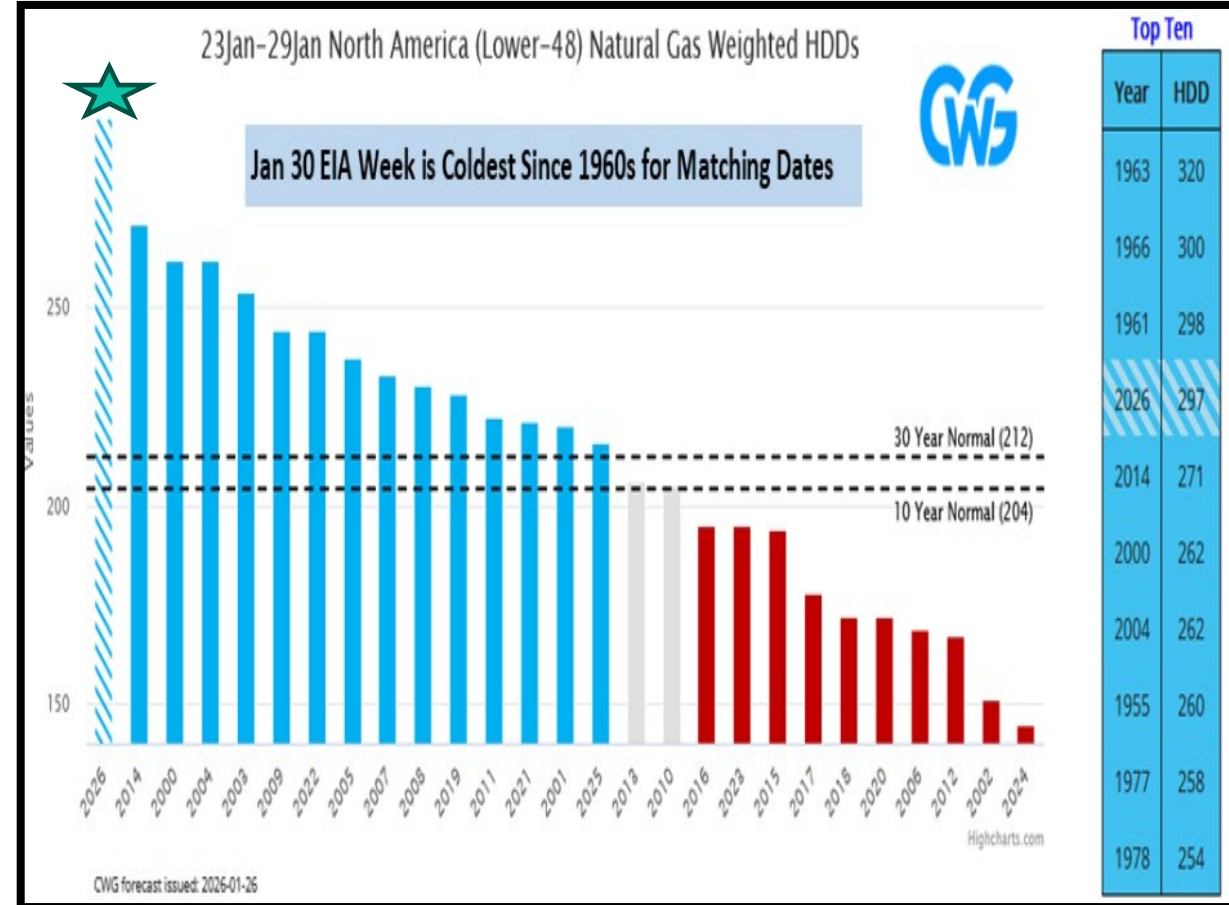
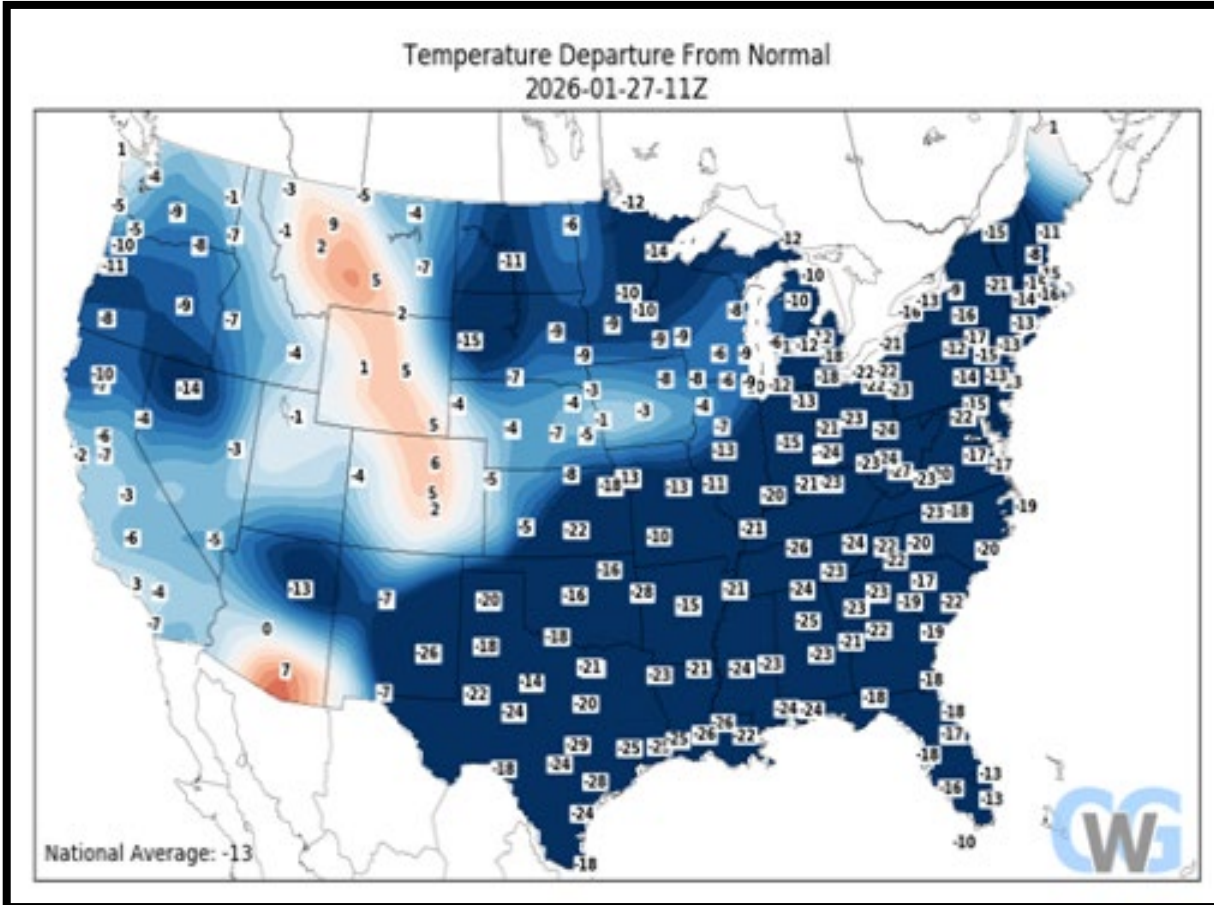


# Mechanics of a Major Weather Event



**The amplification of each component will dictate the magnitude of the price event**

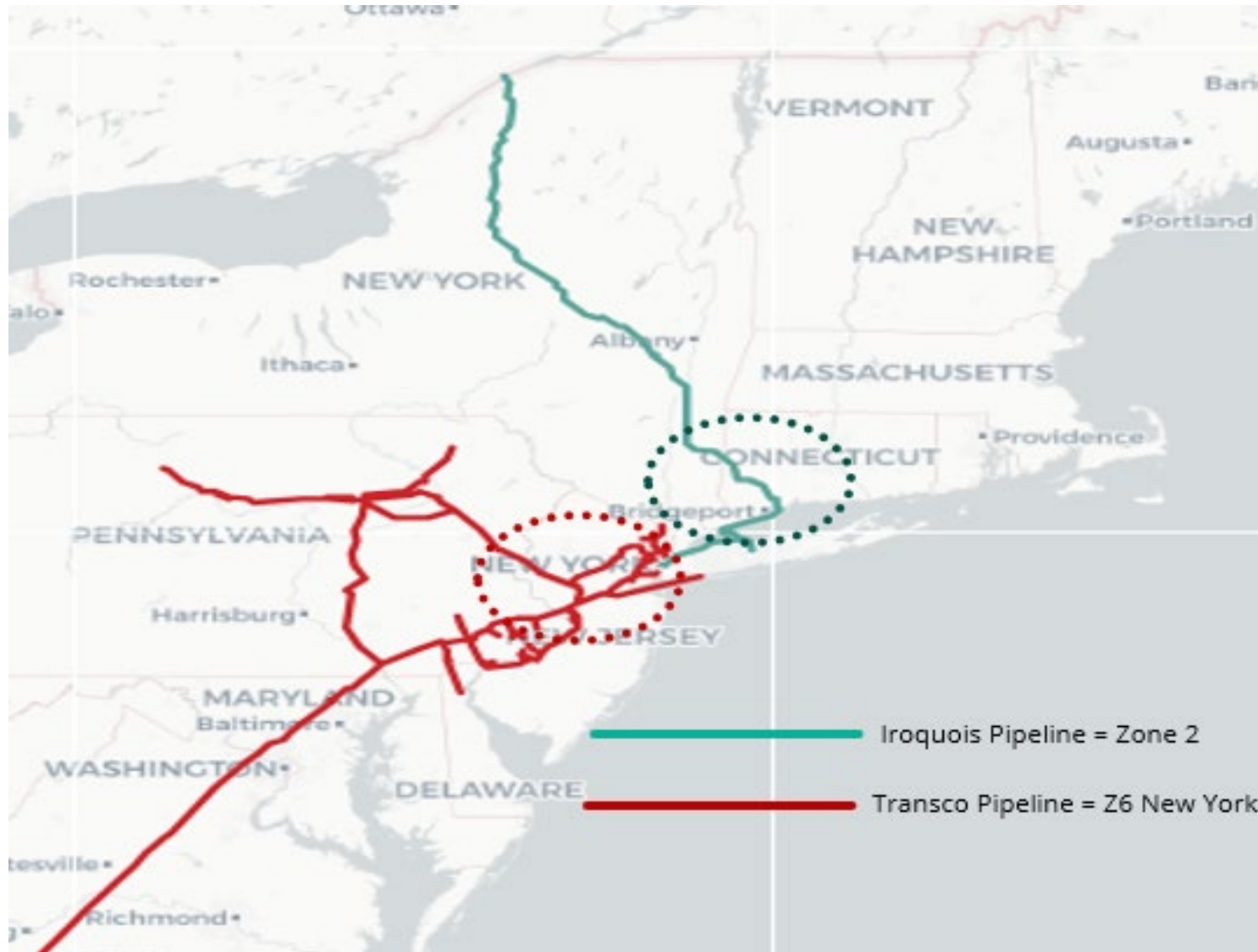
# Winter Storm Fern – Weather Dominates Markets



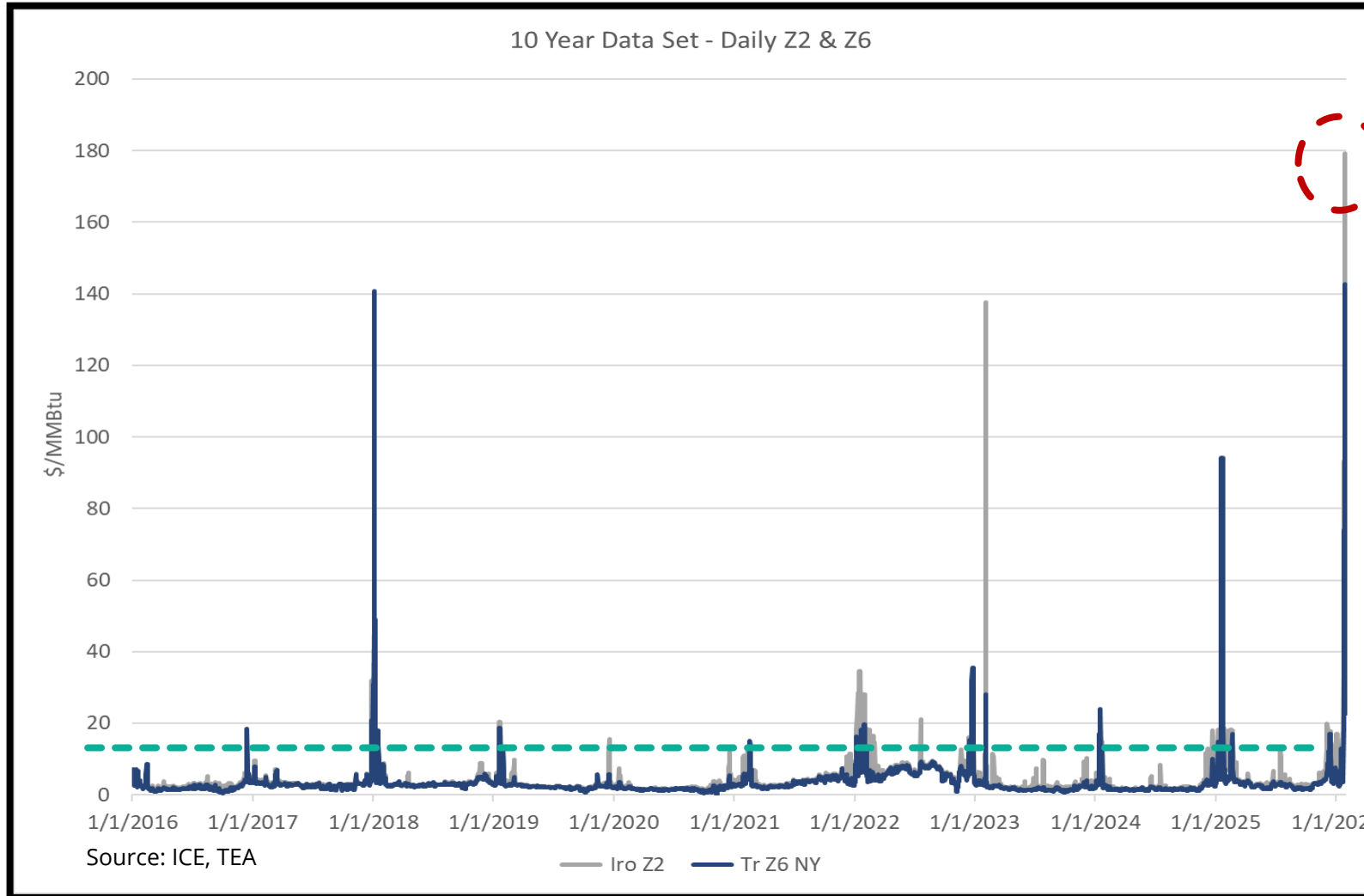
Source: Commodity Weather Group

- Weather models drastically flipped on Saturday January 17th from an average week to the coldest 1 week stretch in nearly 65 years
- Both natural gas use and power generation peaked everywhere simultaneously

# Natural Gas Pricing Locations



# Daily Historical Pricing



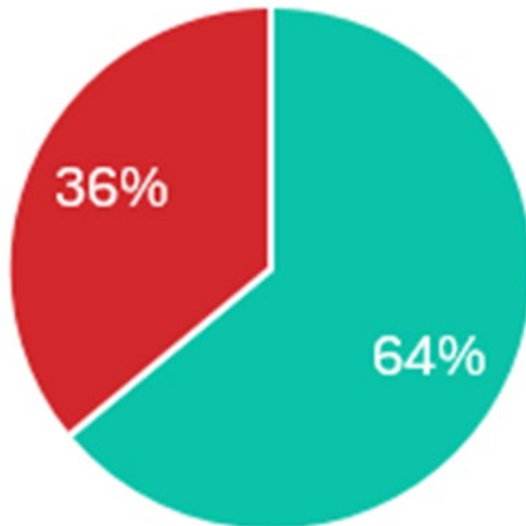
----- Approximate oil parity

- WS Fern set a new 10 year high
- Its not entirely unprecedented in prior winter events
- Demonstrates pricing dynamics of a winter event

# Hedge Performance

## Hedge Summary for Winter Storm Fern

■ Hedged % of Load    ■ Unhedged % of Load



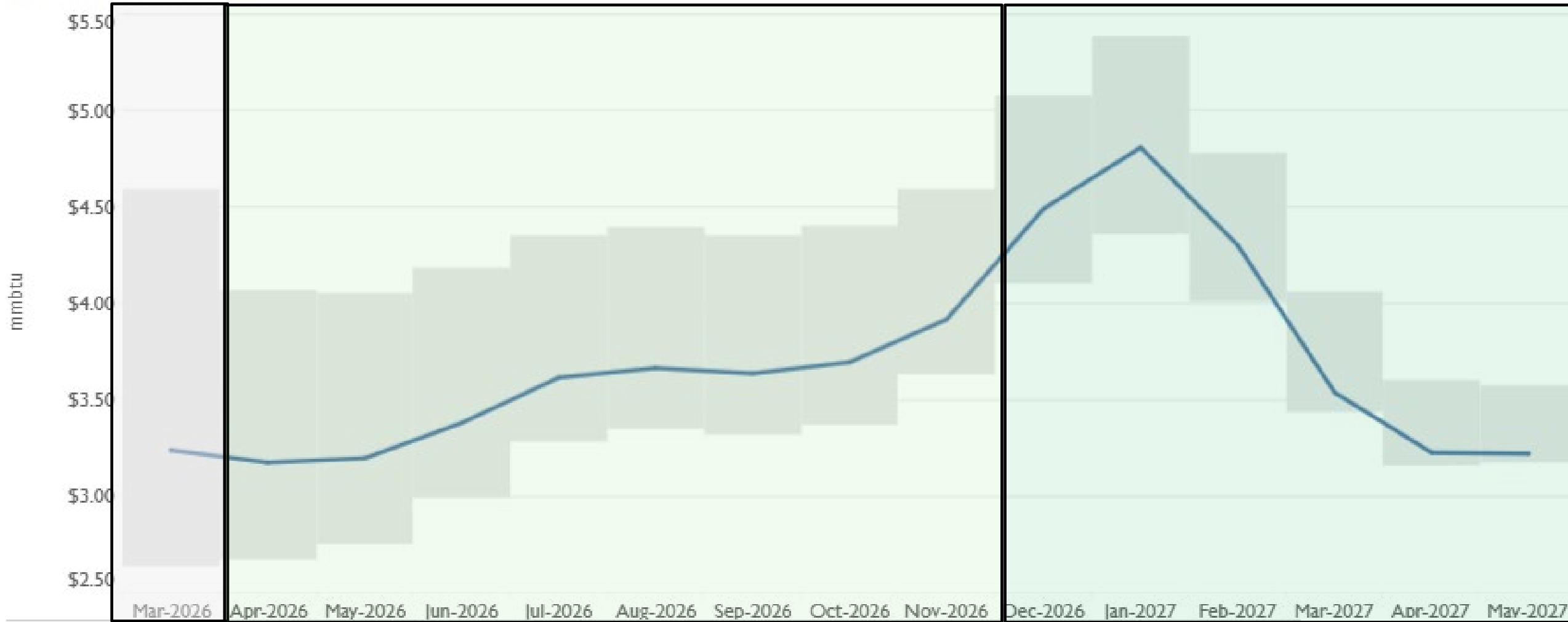
- ✓ Reduced price volatility in power supply costs
- ✓ Smooth procurement costs over time using staged approach
- ✓ Systematic, disciplined approach mitigating price risk
- ✓ Opportunistic buying at value levels when price troughs materialize
- ✓ Robust and transparent program with strong oversight measures

# Middle East Conflict

- Prices of U.S. and international oil prices are up sharply
  - Domestic fuel oil prices have increased
- Natural gas prices are up
  - Liquefied natural gas is shipped internationally
  - European and Asian natural gas prices have increased
  - The risk of domestic prices needing to rise to keep natural gas in the U.S. during a winter event is now greater
- This winter-led rally will lift all forward curve prices

# Forward Natural Gas Prices

NYMEX NG Forward



Source: NYMEX, TEA

1

Conduct comprehensive assessment of current fuel supplier portfolio to ensure reliability, competitiveness, and alignment with portfolio needs

2

Maintain disciplined execution of the established hedging program to manage price volatility and protect financial outcomes

3

Coordination with plant leadership to review and strengthen summer readiness plans, ensuring operational reliability during peak demand

4

Proactively schedule and complete generation maintenance activities ahead of the summer season to minimize outage risk and maximize asset performance

LOOKING FORWARD – SUMMER 2026