



CEO Report

LIPA Board of Trustees Meeting

November 13, 2024

Presented by: John Rhodes, Acting Chief Executive Officer



Discussion Topics



Clean Energy News



Affordability: Progress for Customers



Reliability Updates



Long Island Women In Energy Event



Excellence in Public Power Communications Awards

A photograph of several offshore wind turbines in the ocean, viewed from a low angle. The turbines are white with three blades each, mounted on steel structures. The water is a deep blue, and the sky is a lighter blue. The image is overlaid with a semi-transparent blue geometric pattern consisting of various shapes like triangles and polygons. The text "Clean Energy News" is centered in white.

Clean Energy News

Circuit Electric Shuttle Service in the Rockaways and Brentwood

- Last month, we held a ribbon cutting to celebrate the launch of 'Brentwood Go.'
- Rides in Brentwood will be at zero cost before introducing a flat fare of just \$2.50 for anywhere in the coverage area in early 2025.
- For more information on services in Brentwood and the Rockaways, visit: ridecircuit.com/service

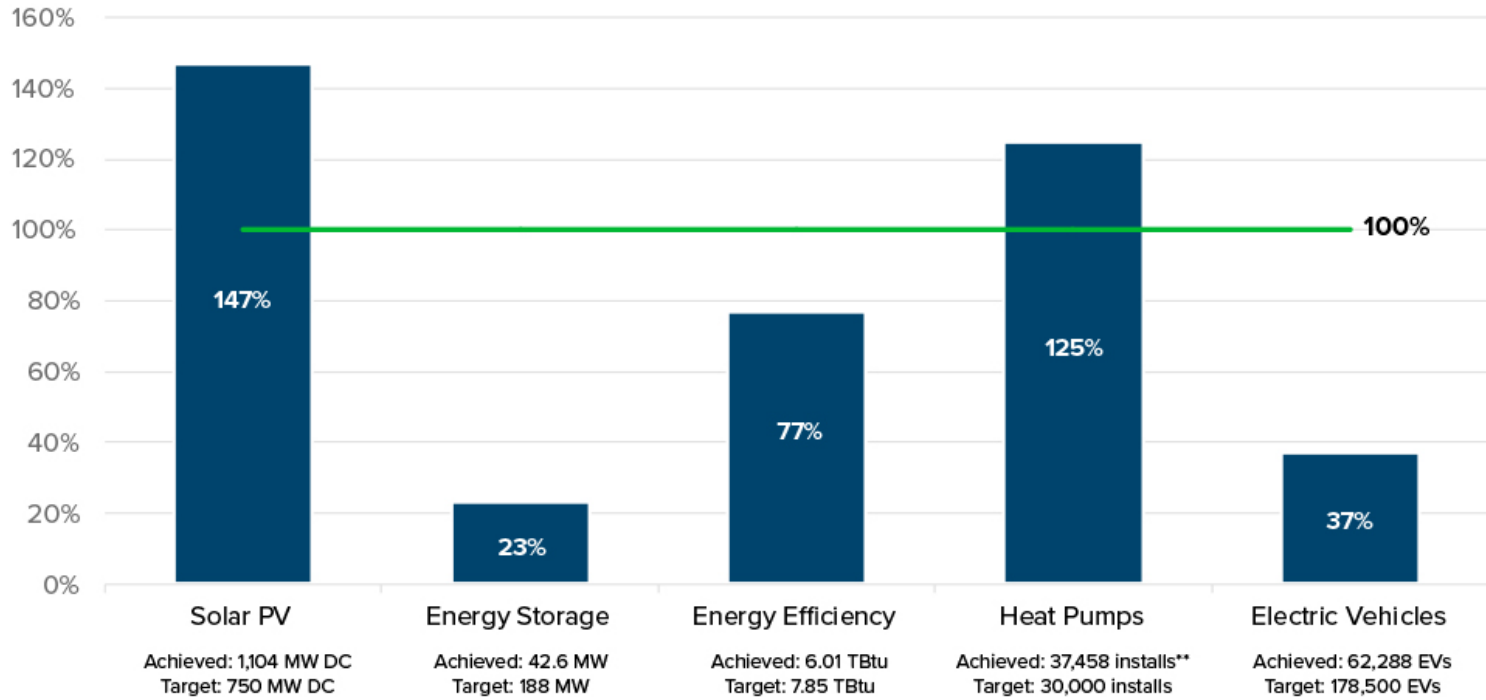


The ribbon cutting was held on October 15 in Hauppauge.

New York State Has Achieved Major Solar Milestone

- Last month, Governor Hochul announced that New York has installed 6 gigawatts of distributed solar, marking the early achievement of the state’s Climate Act statutory goal a year ahead of schedule.
- The solar power generation, which benefits homes, business owners, and off-takers of community solar projects, is enough to power more than a million homes, underscoring New York’s leadership in growing one of the strongest distributed solar markets in the nation.

Progress Towards Long Island’s Portion of Climate Act Goals*



* As of Q3 2024
 ** This target refers only to individual heat pump installations and may include heat pump used for other purposes. LIPA has since recalibrated its focus to whole home heat pumps to align with the State's goals for homes that electrified or electrification-ready homes by 2030.

Actual % Target %



NYSERDA Offshore Wind Solicitation

In July, the New York State Energy Research and Development Authority (NYSERDA) launched New York's fifth competitive offshore wind solicitation. This fifth solicitation advances the State's progress to develop offshore wind energy in alignment with the State's 10-Point Action Plan and the goals of the Climate Act.

Proposals include:

- Community Offshore Wind - Community Offshore Wind
- Ørsted– Long Island Wind
- Vineyard Offshore – Excelsior Wind

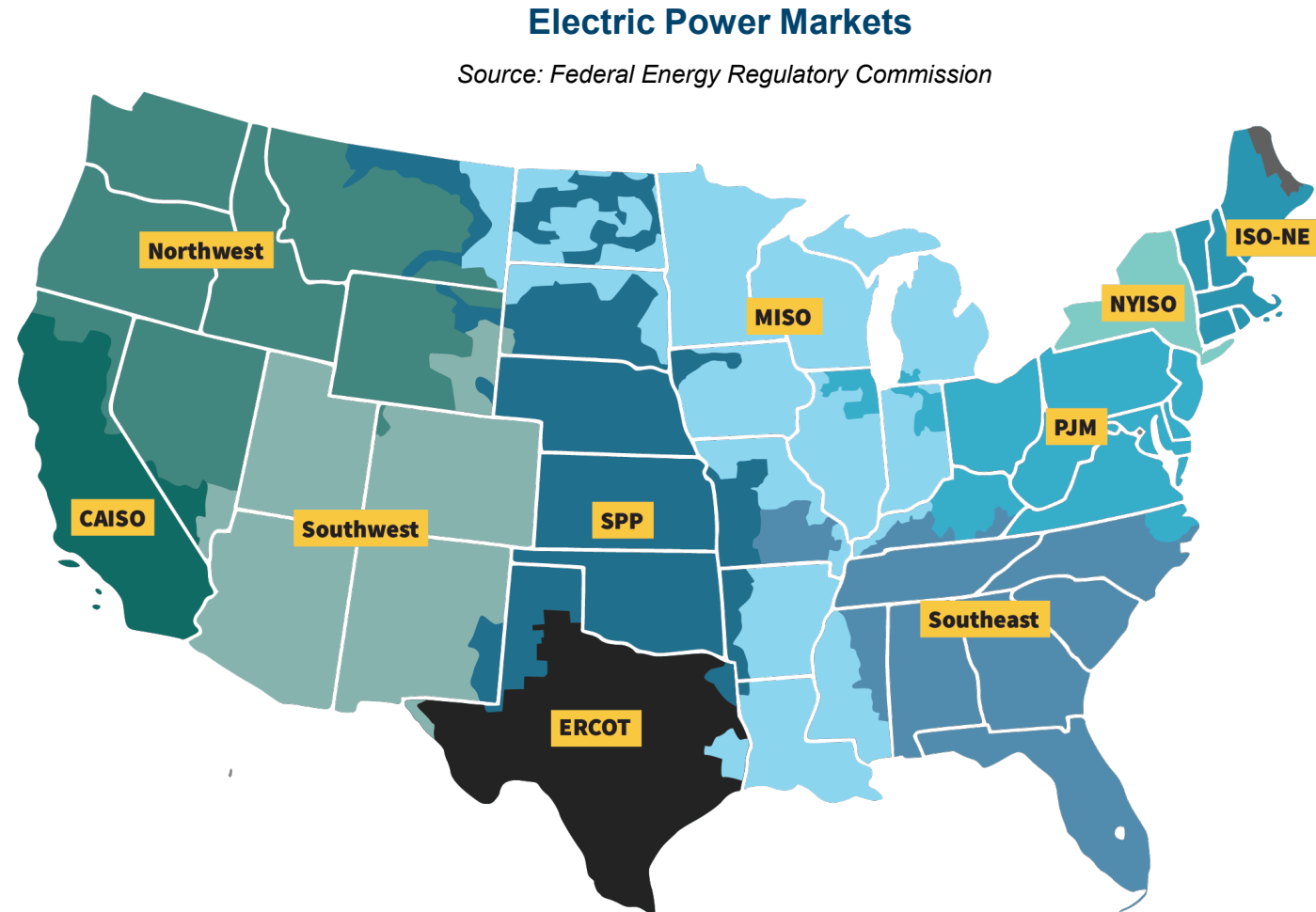


A photograph of an offshore wind farm with several wind turbines in the ocean. The image is overlaid with a semi-transparent blue geometric pattern consisting of various shapes like squares and triangles. The text "Affordability: Progress for Customers" is centered in white.

Affordability: Progress for Customers

LIPA Prepay Transaction will Save Customers Money

- LIPA recently executed a power purchase agreement (PPA) with the Southeast Energy Authority (SEA), a not-for-profit governmental public corporation based in Alabama.
- Starting in 2025, LIPA can purchase power in the PJM market representing a small portion (approximately 4%) of its retail customers' annual energy requirements at a significant discount – approximately \$5 per MWh.
- Annual savings to LIPA customers are expected to be approximately \$4.5 million, for a total initial savings of approximately \$32 million over the term.



Department of Energy Grant Applications Update

In November 2023, the Biden-Harris administration announced that up to \$3.9 billion would be available through the U.S. Department of Energy's (DOE) Grid Resilience and Innovation Partnerships (GRIP) program. These grants are designed to enhance grid flexibility and resilience against growing threats of extreme weather and climate change while supporting meaningful community and labor engagement, investing in the American workforce, and advancing diversity, equity, and inclusion.

- Earlier this year, LIPA submitted three concept papers and three applications:
 - Substation Resiliency and Modernization Project
 - Increasing Distributed Energy Resources Hosting Capacity
 - Underground Self-Healing Grid Automation and URD Cable Replacement
- On October 18, LIPA was informed that it was not awarded a grant under round II of the GRIP program.
- We continue to review opportunities to improve the system with innovative technologies and will continue to seek funding opportunities under the GRIP Program in 2025.
- For more information, visit: energy.gov.

2025 Proposed Budget

Every year, our team creates a budget that focuses on resources and works on the investments and activities that are the highest priority. It lays the foundation for our financial planning and is vital in achieving our mission to provide clean, reliable, and affordable energy to our customers.

- In 2025, LIPA is proposing a total operating revenue of \$4.3 billion, which is an increase of \$146 million (3.5%) compared to 2024.
- The increase is driven by projected increases in scheduled debt service payments and related fixed obligation coverage, \$106 million, and projected power supply costs, \$49 million.
- To partially offset these increases, the LIPA and PSEG Long Island Operating Budgets will remain flat. This entails absorbing approximately \$45 million in inflationary cost increases and costs related to other critical new initiatives. This has been achieved through productivity and other cost-saving initiatives.
- The 2025 Proposed Budget includes sufficient funding to maintain and operate the system in a manner that meets LIPA's Board of Trustee policy objectives.

A photograph of an offshore wind farm in the ocean, with several wind turbines visible. The image is overlaid with a semi-transparent blue geometric pattern consisting of various shapes like triangles and polygons. The text 'Reliability Updates' is centered in white.

Reliability Updates

Improvements on the Y-50 Electrical Cable

- The Y-50 Cable (also known as the Dunwoodie-Glenwood Line) is an undersea and underground high voltage electric transmission cable between Westchester County and Long Island via the Long Island Sound and Hempstead Harbor.
- On June 17, the cable was taken offline for repair work by Con Edison and has been restored as of October 26.
- Portions of the cable have been repaired and replaced, and these improvements will enhance its reliability – a critical tie line for Long Island.



A photograph of an offshore wind farm with several wind turbines in the ocean. The image is overlaid with a semi-transparent blue geometric pattern consisting of various shapes like triangles and polygons. The text "Women in Energy Event" is centered in white.

Women in Energy Event

Long Island Women in Energy Panel and Networking Event

- Last month, members of the LIPA team organized and participated in the Women in Communications and Energy (WICE) New York and the Long Island Chapter of C3E Women in Clean Energy panel discussion and networking event at our Jones Beach Energy and Nature Center.
- The event centered around reliability, resiliency, and sustainability and featured speakers from the New York Power Authority, the New York Independent System Operator, and PSEG Long Island.



A photograph of an offshore wind farm with several white wind turbines on a blue sea. The image is overlaid with a semi-transparent blue geometric pattern consisting of various shapes like squares and triangles. The text 'Excellence in Public Power Communications' is centered in white.

Excellence in Public Power Communications

Excellence in Public Power Communications Awards

- The American Public Power Association (APPA) recognizes public power utilities through its annual Excellence in Public Power Communications awards program.
- Nearly every year since 2018, LIPA has been recognized for our communications efforts, ranging from print reports to digital and social media campaigns.
- Last month, at the APPA's Customer Connections Conference, LIPA was honored for our 2024 Annual Budget Report.



Questions?

John Rhodes
Acting Chief Executive Officer

lipower.org

