



CEO Report

LIPA Board of Trustees Meeting

September 25, 2024

Presented by: John Rhodes, Acting Chief Executive Officer



Discussion Topics



Welcoming New LIPA Staff



Financial Success



Clean Energy Progress



New York Clean Transportation Prize Update



Welcoming New Members to the Community Advisory Board



Utility Comradery: Attendance at Local Events

Welcome to the LIPA Team!



Steve Driscoll

Vice President of Customer and Operation Services

- Steve earned a Bachelor of Science in Accountancy from Bentley University and later earned a Master of Science in Management from Lesley University. Steve comes to us from Eversource Energy where he served as Vice President of Operation Services.



Robert Frenna

Vice President of Electric Field Operations

- Rob earned a Bachelor of Science in Marine Engineering from the United States Merchant Marine Academy. He later earned a Master of Science in Energy Management from the New York Institute of Technology. Rob also served as a Lieutenant in the United States Naval Reserve and also comes from Eversource Energy, where he served as Vice President of Electric Field Operations and Offshore Wind Project Construction.

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 and lines. The text "Financial Success" is centered in white.

Financial Success

LIPA Releases Series 2024A and Series 2024B Bonds

- In July, LIPA began its roadshow and distributed its preliminary official statement, offering two new bonds exceeding \$1 billion (Series 2024A and Series 2024B) to support LIPA's system improvement, storm hardening, and debt retirement efforts.
- **Series 2024A:** ~\$717 million in electric system general revenue bonds.
 - Refunded certain Series 2014A Bonds for present value debt service savings of \$62M.
 - Funded \$400M of system improvements.
- **Series 2024B:** ~\$288 million electric system general revenue bonds (fixed rate mandatory tender bonds).

MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns an A2 rating to Long Island Power Authority's (NY) Series 2024 General Revenue Bonds

29 Jul 2024

New York, July 29, 2024 -- Moody's Ratings (Moody's) assigned an A2 rating to Long Island Power Authority's (LIPA or the Authority) (NY) Electric System General Revenue Bonds, Series 2024A (Fixed Rate Mandatory Tender Bonds) and Long Island Power Authority's (NY) Electric System General Revenue Bonds, Series 2024B (Fixed Rate Mandatory Tender Bonds). These securities will rank on parity with LIPA's senior lien debt. The outlook is stable.

RATINGS RATIONALE

LIPA's A2 rating is supported by the utility's monopoly provision of an essential service to a large and diversified customer base and strong economic characteristics. With median household income above the national average, the service area economy is a positive factor underpinning LIPA's credit profile. Other positive factors include cost recovery mechanisms that support a stable and predictable utility size and scale. These considerations, along with the degree of consistency to the utility's annual cash flow as a result of its charge coverage ratio that has consistently been in the 100% range, declining debt ratio even after considering investments in transmission and distribution system. The rating, however, is based on a highly leveraged balance sheet, financial metrics that are in an A rating category and lingering concerns around the utility's ability to meet obligations after meaningful storms owing to challenges that emerge from climate change.

LIPA will continue outsourcing the operation of the transmission system after the expiration of an existing contractual arrangement. This decision, which follows studies and discussions conducted by LIPA itself towards a public power model which manages its risk in a neutral to LIPA's credit profile.

FitchRatings

RATING ACTION COMMENTARY

Fitch Rates LIPA Electric System Rev Bonds 'A+'; Outlook Stable

Fri 19 Jul, 2024 - 4:12 PM ET

Fitch Ratings - New York - 19 Jul 2024: Fitch Ratings has assigned an 'A+' rating to the following Long Island Power Authority, NY (LIPA) bonds:

- Approximately \$737 million electric system general revenue bonds series 2024A;
- Approximately \$285 million electric system general revenue bonds series 2024B (fixed rate mandatory tender bonds);

Proceeds from the series 2024A and 2024B bonds will be used to fund system improvements, refund certain outstanding bonds and pay the costs of issuance. The series 2024A bonds will be sold with a fixed rate and amortize through 2054. The series 2024B bonds will be issued as multi-modal bonds and initially sold with a fixed interest rate through the mandatory tender date. The bonds are expected to be priced the week of Aug. 5, 2024.

Fitch has also upgraded the following LIPA ratings to 'A+' from 'A':

- Issuer Default Rating (IDR);
- Approximately \$4.5 billion senior-lien electric system revenue and refunding bonds.

The Rating Outlook is Stable.

Upgrades to LIPA Bond Ratings

- In July, Fitch Ratings upgraded LIPA to an ‘A+’ rating with a stable outlook, a significant improvement from the previous ‘A’ rating with a positive outlook.
- Standard and Poor’s and Moody’s affirmed LIPA’s Series 2024A and Series 2024B bonds at A and A2 with stable outlooks, respectively.
- **Fitch Ratings:** *“LIPA’s very strong service area, disciplined approach to rate setting, and authorized RDM should sustain its very strong revenue defensibility and overall performance even through periods of stress, further supporting its financial profile... the authority has indicated its intent to preserve its strategic objectives and policies on fiscal sustainability.”*

| Rating Agency | 2013 Ratings (Outlook) | 2024 Ratings (Outlook) |
|--------------------------|------------------------|------------------------|
| Standard and Poor’s | A- (Negative) | A (Stable) |
| Fitch Ratings | A- (Negative) | A+ (Stable) |
| Moody’s Investor Service | Baa1 (Negative) | A2 (Stable) |



LIPA Receives Tropical Storm Isaias Mitigation Grant

- The Federal Emergency Management Agency (FEMA) approved a \$425 million mitigation grant to LIPA for storm hardening as part of an ongoing recovery and mitigation effort post-Tropical Storm Isaias (2020).
- **Congratulations to the LIPA grants, T&D, Finance, External Affairs, and PSEG Projects and Construction teams.**

\$ in millions

*Customer savings from federal grants have totaled more than **\$2.4 billion***

| FEMA Declared Events | LIPA Costs | Federal Grants Awarded or Pending |
|---------------------------------------|----------------|-----------------------------------|
| Tropical Storm Irene (2011) | \$170 | \$170 |
| Superstorm Sandy (2012) | \$656 | \$700 |
| Sandy Mitigation - 428 | -- | \$730 |
| Winter Storm Nemo | \$17 | \$11 |
| Winter Storm Stella (2017) | \$14 | \$4 |
| Tropical Storm Isaias (2020) | \$309 | \$277 |
| Isaias Mitigation – 406 | -- | \$425 |
| Isaias Mitigation – 404 | -- | \$38* |
| COVID-19 Pandemic | \$26 | \$6* |
| COVID-19 Mitigation (2020-2022) – 404 | -- | \$10 |
| Tropical Storm Ida (2021) | \$9 | \$7 |
| Winter Storm Elliott (2022) | \$4 | \$2* |
| Total | \$1,205 | \$2,380 |

*Applied for – LIPA waiting for FEMA decision





Clean Energy Progress

South Fork Wind Performance

- In July, South Fork Wind produced a total of 38,711 MWh, at an average rate of 52 MW.
- In August, South Fork Wind produced a total of 27,263 MWh, at an average rate of 37 MW.
- In December 2023, as LIPA prepared for 2024, we forecasted South Fork's July 2024 energy output at 33,064 MWh, which is 44 MW on average. South Fork's actual production exceeded our December 2023 forecast **by 17%**.
- Going forward, we expect the summer months to be the lowest production period (~40 MW on average) and the winter months to be the highest production period (~80 MW on average).



Progress Across New York State

South Brooklyn Marine Terminal Groundbreaking

- On June 10, construction started on what will be the nation's largest dedicated offshore wind port at the South Brooklyn Marine Terminal.

Propel New York Energy

- On July 31, Propel NY Energy submitted an Article VII Application (Certificates of Environmental Compatibility and Public Need) to the Public Service Commission.

Offshore Wind Solicitation

- On September 9, NYSERDA received 25 proposals from four developers, representing 6,870 MW in total offer capacity, in response to its fifth solicitation for offshore wind energy.
- To view public versions of the proposals, visit NYSERDA's [2024 Solicitation webpage](#).

Sunrise Wind Groundbreaking

- On July 17, Governor Hochul announced the start of construction for Sunrise Wind, New York's second and largest offshore wind farm. The 924 MW project will generate enough clean energy to power more than half a million homes across the state when complete in 2026.



South Brooklyn Marine Terminal Groundbreaking in Sunset Park, Brooklyn in June 2024



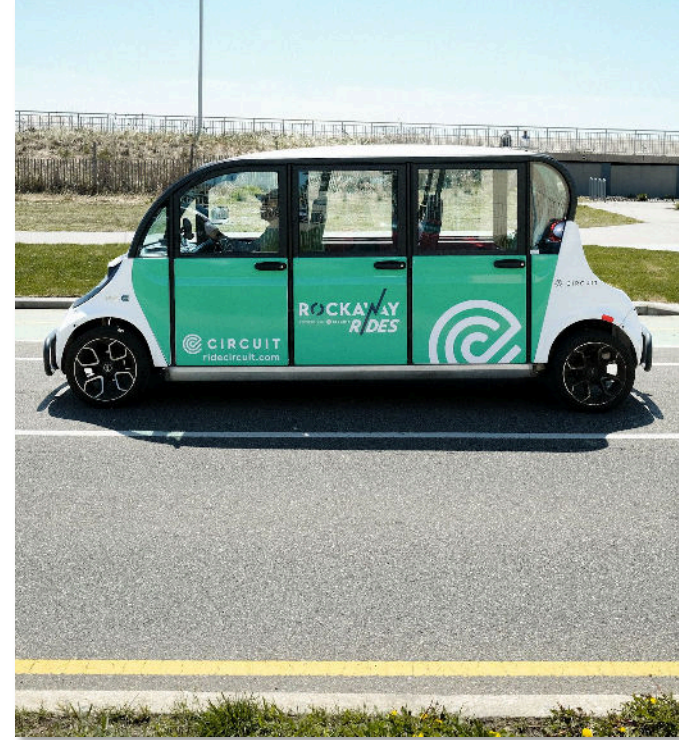
Sunrise Wind Groundbreaking in Bellport in July 2024

A photograph of several offshore wind turbines in the ocean, viewed from a low angle. The turbines are white and stand on metal platforms. 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 squares and triangles.

New York Clean Transportation Prize Update

Circuit: Electric Shuttle Service in the Rockaways and Brentwood

- LIPA is funding \$7 million for Long Island's winner of NYSERDA's Clean Transportation Prize, which aims to electrify transportation, reduce air pollution, and enhance clean mobility in underserved communities.
- Circuit was chosen in the Electric Mobility Challenge category for its "Rockaway Rides" and "BrentwoodGo" proposals, which included resident and community input.
- Circuit is bringing affordable transportation services to communities that need them the most -- offering an eco-friendly, on-demand option (similar to Lyft and Uber) that creates local jobs and enhances local communities.



"I am overjoyed at the positive environmental impact the Rockaway Rides Program will have on this wonderful community. The project will beautify our neighborhood even more, and I am proud to have supported this new mode of transportation for our residents, as well as the visitors of the Rockaways."

- New York State Assemblywoman Stacey Pheffer Amato

Circuit: Electric Shuttle Service in the Rockaways and Brentwood

- Since December 2023, the *Rockaways Ride* program has provided about 5,000 rides.
- Circuit is soft launching in Brentwood at zero cost during the initial months before introducing a flat fare of just \$2.50 for anywhere in the coverage area.
- The Circuit service will operate from Monday through Friday, and rides will be available to request through the Ride Circuit app between 6:00 a.m. to 6:00 p.m.
- For more information, visit: ridecircuit.com/service

Affordable, eco-friendly rides coming to Brentwood!

Circuit will be offering eco-friendly rides at just \$2.50. We'll take you to run errands, medical appointments, and more. Just download the app and select your pick-up location to ride!

DOWNLOAD IT NOW!

GET IT ON Google Play

Download on the App Store

Hours of operation
Monday - Friday, 6 AM - 6 PM
Saturday - Sunday, CLOSED

FREE TO START

How it Works

- 1 Download the Ride Circuit App
- 2 Driver confirms they are on the way
- 3 Enjoy your ride!

CIRCUIT | **Brentwood GO** | #ridecircuit

A photograph of an offshore wind farm with several wind turbines in a row over the ocean. The image is overlaid with a semi-transparent blue geometric pattern consisting of various shapes like squares and triangles. The text "New Members: Community Advisory Board" is centered in white.

New Members: Community Advisory Board

Community Advisory Board

- LIPA's Community Advisory Board (CAB) was formed in 2017 to advise on issues of importance to the Authority and our Long Island and Rockaways community.
- The CAB represents a diverse range of perspectives and has 27 members, including experts in energy, education, business, economic development, government, and finance.
- Members are appointed by LIPA's CEO and participate in quarterly meetings that discuss regional issues, including energy efficiency, climate and green energy goals, and other topics important to members.
- For more information, visit lipower.org/community-advisory-board.

September Board Meeting

The last CAB meeting was held on Tuesday, September 17, at the Northport Power Station. Representatives from LIPA, PSEG Long Island, and National Grid were present, along with the CAB members.



Welcoming **New Members** to our Community Advisory Board



Phil Andrews

President, Long Island African American Chamber of Commerce, Inc.



James Hodge

Chairman, MLK Center, Long Beach



Jason Cofield

Executive Director, Shinnecock Nation



Ann Emrick

Deputy Director for Operations, Brookhaven National Laboratory



**Jeannine G. Maynard,
MSW, LCSW**

Co-Facilitator at Greater Uniondale Area Action Coalition (GUAAC) – Uniondale Community Council, Inc.



Adrienne Esposito

Executive Director, Citizens Campaign for the Environment



Luis A. Vazquez

President/CEO, Long Island Hispanic Chamber of Commerce

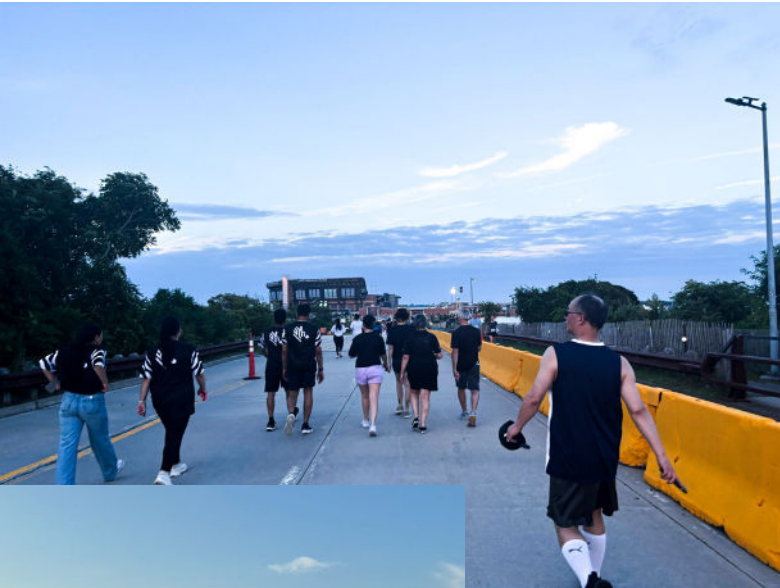
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Team Comradery: Attendance at Local Events

Attending the 2024 New York City Pride Parade



LIPA joins PSEG Long Island at the Marcum Challenge



Attending the 2024 Shinnecock Nation Powwow



Questions?

John Rhodes
Acting Chief Executive Officer

lipower.org

