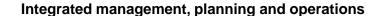
CONFIDENTIAL FEBRUARY 2023

SUMMARY LIPA PRIVATIZATION PERSPECTIVES



LIPA—Summary Overview of the Privatization Thesis



Access to a Long Island Public Benefit Trust which could potentially freeze customer rates for a significant period of time (~8 – 13 years⁽¹⁾)

Improved accountability via NYPSC regulation

Improved decision-making processes

Improved ability to identify/offer system enhancements

Operating risks transferred to private entity, ending transitional role of LIPA as originally envisioned

Equity capital provides performance incentives

Structure would be consistent with the rest of New York State utilities

Efficiencies (O&M, fuel purchasing, capex, etc.)

Incentivizes investment to drive the energy transition for Long Island





(1)

Illustrative Privatization Framework

NewCo Organizational Terms Transaction Terms Long Island Public Benefit Trust Other	 LIPA to be privatized in a process to begin at an appropriate time and allowing for adequate preparation (e.g., late-2023 / early-2024) Transparent auction process soliciting proposals from qualified parties including IOUs, infrastructure service companies and other private investors (e.g., pension funds, infrastructure funds, sovereign wealth funds, insurance companies, or combinations thereof)
	 Normal and customary corporate organization under New York laws Charter and other governance documents to provide for obligation on part of NewCo to support economic development, local stakeholders and energy transition in Long Island NewCo to be subject to NYPSC regulation NewCo could be a publicly traded company, owned by a publicly traded company or by financial investor(s)
	 Sale for cash LIPA in its current form would be dissolved with ownership of all assets transferred to NewCo New management team and Board to be selected by NewCo owner Existing LIPA debt to be retired
	 To be initially funded with excess sale proceeds (i.e., after full pay down of existing LIPA debt) Normal and customary oversight to be established, including with respect to use for funds. Potential uses could include: Customer rate cut and/or freeze Lump-sum refund to LIPA ratepayers Lowering property taxes or mitigating future increases Funding infrastructure and other public works projects Supporting the Long Island community more generally
	 New owner to provide a specific and detailed IRP to drive energy transition in Long Island New owner to provide specific commitments which, potentially in conjunction with the Long Island Public Benefit Trust, would mitigate any customer rate increases for a pre-determined period of time New owner to provide and agree to specific procedures in respect of storm recovery and financing thereof Other matters as deemed necessary
	NewCo Organizational Terms Transaction Terms Long Island Public Benefit Trust