

# **FINANCE AND AUDIT COMMITTEE CHARTER**

Long Island Power Authority

January 25, 2017

## **PURPOSE**

The Finance and Audit Committee's (the "Committee") primary function is to assist the Board of Trustees of the Long Island Power Authority (the "Board") with its responsibilities by (1) overseeing, monitoring and making recommendations with respect to the Long Island Power Authority's (the "Authority") investment and debt management policies and procedures, internal and external audit process, the financial reporting process and the system of risk assessment and internal controls; and (2) provide an avenue of communication between management, the independent auditors, internal audit, and the Board. The Board will ensure that the Committee has sufficient resources to carry out its duties.

## **MEMBERSHIP**

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair ("Committee Chair"). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio, voting member of the Committee.

Each Committee member shall meet the independence requirements set forth in the Public Authorities Accountability Act of 2005<sup>1</sup>. The members of the Committee should be, to the extent practicable, familiar with corporate financial and accounting practices and possess the necessary skills to understand the duties of the Committee. Ideally, all members on the Committee should possess or obtain a basic understanding of governmental financial reporting and auditing.

## **MEETINGS**

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the members of the Committee then sitting shall constitute a quorum for the

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<sup>1</sup>An "independent" member is defined in the Act as one who: 1. is not, and in the past two years has not been a) employed by the public authority or an affiliate in an executive capacity; b) employed by an entity that has received remuneration valued at more than fifteen thousand dollars for goods and services provided to the public authority or received any other form of financial assistance valued at more than fifteen thousand dollars from the public authority; c) a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or an affiliate; and 2. is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate.

transaction of any business or the exercise of any power or function of the Committee and the Committee shall have the power to act by a majority of the members present (in person or via video-conference) at any meeting. Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session, and minutes will be taken and maintained.

The Committee may request any officer or employee of the Authority, PSEG Long Island or the Authority's outside counsel, financial or swap advisor or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee will meet with the Authority's independent auditor at least annually to discuss the financial statements of the Authority.

## **RESPONSIBILITIES**

The Authority's executive management bears primary responsibility for the Authority's financial and other reporting, establishing the system of internal controls, identifying and mitigating financial and other risks, and ensuring compliance with laws, regulations and Authority financial and risk policies. The Committee's responsibilities and related key processes are described below. In order to facilitate such responsibilities and processes, the Committee Chair and members of the Committee designated by the Committee Chair shall have access to all books, records, facilities and staff of the Authority. Committee members may also obtain any information and training needed to enhance the Committee members' understanding of the role of internal audit and the independent auditor, the risk management process, internal controls and familiarity with applicable financial standards and processes. From time to time, the Committee may take on additional responsibilities, at the request of the Trustees or Chair of the Board.

### **General Responsibilities**

1. Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with this Charter, review and reassess the adequacy of this Charter from time to time and propose to the Board any changes for approval, and report annually to the Authority's Board on how it has discharged its duties and met its responsibilities as outlined in this Charter.
2. Investigate any matter brought to its attention.

## **Specific Responsibilities**

### **Financial Policy**

1. Monitor and advise the Board regarding the financial policies of the Authority related to fixed obligation coverage by cash flow, borrowing relative to capital expenditures, credit ratings, and cash on hand. The recommended financial policies will take into consideration the long term benefits of these policies for the Authority's customer-owners, the levels of risk inherent in these policies, and the fiduciary responsibilities of the Board.
2. Review and consider the financial policies of other large public power utilities to ensure that the Authority's policies are comparable to, and consistent with best practices among the entities that are similarly situated and participate in the same financial markets.
3. Annually monitor the Authority's compliance with its stated financial policies and advise the Board in the event of non-compliance.

### **Annual Budget**

1. Review and advise the Board related to the Authority's proposed operating and capital budgets as presented by Authority and PSEG Long Island management.
2. Monitor the Authority's compliance with its adopted operating and capital budgets during the fiscal year (actual verses budget) on at least a quarterly basis and report to the Board as appropriate.
3. Review and advise the Board regarding proposals to modify the Authority's electric rates as defined and contained in the Tariff for Electric Service to promote more effective recovery of the Authority's costs in a fair and equitable manner from customers and other users of the system in a manner consistent with the Authority's fiduciary responsibility to its customer-owners.

### **Borrowing, Debt Management, and Interest Rate Exchange Agreements**

1. Monitor and advise the Board concerning the amount and nature of debt issued by the Authority, and the strategies initiated by the Authority to manage the level and cost of the debt, consistent with the Authority's mission and financial policy goals.
2. Review and advise the Board regarding proposals for the issuance of debt by the Authority.
3. Review and advise the Board regarding the Authority's debt management and interest rate hedging policies, including its Guidelines for the Use of Interest Rate

Exchange Agreements, from time-to-time, as needed, but no less frequently than bi-annually.

4. Review and advise the Board concerning the engagement of financial advisors and underwriting firms used by the Authority.
5. Review proposals and advise the Board relating to the repayment of debt or other long-term financing arrangements by the Authority.
6. Review and advise the Board regarding credit ratings, credit facilities and external financing.
7. Monitor management reporting with respect to Interest Rate Exchange Agreements.

#### Power Supply Hedging

1. Review and advise the Board regarding the Authority's governing policy for power supply hedging from time-to-time, as needed, but no less frequently than bi-annually.
2. Monitor management reporting with respect to the power supply hedging program.

#### Investments

1. Annually review the Authority's investment policy and the investment of assets.
2. Review the Authority's annual investment report.
3. Annually review the Authority's audit of investments as provided by an independent auditor.
4. Review and advise the Board regarding the selection of investment managers and advisors.

#### Financial Statements and Disclosure Matters

1. Review, in consultation with management of the Authority and the Authority's independent auditor, the audit approach, plan, scope and staffing of the annual audit of the Authority's financial statements, including a review of staffing to perform the audit and coordination of audit efforts between the independent auditor, the internal auditors, and the Controller.
2. Review and advise the Board, in consultation with management of the Authority and the Authority's independent auditor, on matters regarding the annual audited financial statements, including disclosures made in the Management Discussion

and Analysis and representations regarding internal control and compliance with laws, regulations, contracts and grant agreements.

3. Discuss with management of the Authority and the Authority's independent auditor, significant financial reporting issues and judgments made in connection with the preparation of the Authority's financial statements, including any significant changes in the Authority's selection or application of accounting principles, any major issues as to the adequacy of the Authority's internal controls and special steps adopted in light of identified, significant control deficiencies and material weaknesses.
4. Review with the management of the Authority and the Authority's independent auditor and recommend where necessary to the full Board for adoption:
  - a. All critical accounting policies and practices to be used.
  - b. All alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with management of the Authority, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Authority's independent auditor.
  - c. Other written communications between the Authority's independent auditor and management, such as any Management Letter or Schedule of Unadjusted Differences.
5. Review in consultation with management of the Authority, the Authority's unaudited quarterly financial results.
6. Discuss with the Chief Financial Officer, if deemed appropriate or necessary, financial information provided to rating agencies and financial institutions with whom the Authority has business dealings.

#### Selection and Oversight of the Independent Auditor

1. Recommend to the Board the selection of an independent certified public accounting firm to conduct independent annual audits of the Authority, and review all audit services to be performed by such independent auditor, including the scope, fees and terms thereof.
2. The Authority's independent auditor shall report directly to the Committee. The Committee shall assume responsibility for resolution of disagreements between the management of the Authority and such independent auditor regarding financial reporting or related work.

3. Obtain and review a report from the Authority's independent auditor at least annually regarding (i) the Authority's independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditor or by any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to one or more independent audits carried out by the firm, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the Authority's independent auditor and the Authority.
4. Evaluate the qualifications, performance and independence of the Authority's independent auditor, including the lead engagement partner and whether the auditor's quality controls are adequate to maintain the auditor's independence, while taking into account the opinion of management of the Authority.
  - a. Require the rotation of the lead audit partner having primary responsibility for the audit at least every five years.
  - b. On an annual basis, review and discuss with the independent auditors all significant relationships they have with the Authority that could impair the auditors' independence.
  - c. The Authority's independent auditors may not perform the following services for the Authority:
    - accounting and bookkeeping services;
    - internal audit services related to accounting controls, financial systems or financial statements;
    - financial information systems design implementation;
    - broker, dealer, investment banking, financial, swap or investment advisor services;
    - appraisal or valuation services;
    - actuarial services;
    - management services or human resources; and
    - legal or other expert services unrelated to the audit that the Public Accounting Oversight Board prohibits through regulation.
  - d. Review in advance all other requests for services (including the scope, fees and terms thereof to be performed for the Authority by the Authority's independent auditor.
5. Approve the Authority's hiring of employees, or former employees, of the Authority's independent auditor who participated in any capacity in the audit of the Authority. In no event shall the Authority's Chief Executive Officer, Chief Financial Officer or Controller have been employed by the Authority's independent auditor during the one year preceding the date of the initiation of the audit.

### Internal Audit

1. Review with the Director of Internal Audit the charter, activities, staffing and organizational structure of the internal audit function. To ensure the independence of the internal audit function, the Director of Internal Audit shall report functionally on all substantive matters related to the internal audit function to the Committee and administratively to the Chief Executive Officer.
2. Review and approve the annual internal audit plan, which shall include at least one aspect of power supply management each year, and monitor, in consultation with the Director of Internal Audit, the findings of the reports of the internal audit function.
3. Monitor with management and the Director of Internal Audit the status of implementation of management's action plans in response to audit findings.
4. Meet at least twice a year with the Director of Internal Audit in an executive session outside the presence of other Authority management or staff.

### Enterprise Risk Management and Internal Control

1. Review the Authority's enterprise risk management program, including its risk management policies and steps management has taken to monitor and control risk.
2. Monitor management's implementation of an effective system of internal control, including overseeing the results of any audits of those controls as necessary from time to time.
3. Review and present the results of any third party audit findings to the Board including those conducted by the federal or state government, and recommend any policy changes related thereto.
4. Monitor the scope and terms of the Authority's insurance policies and liability coverage.

### Compliance Oversight

1. Establish procedures for the confidential receipt, retention and investigation of complaints regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding such matters, including referral of such matters to the New York State Inspector General. These procedures shall be periodically reviewed and updated as appropriate. The Committee shall review all reports and draft reports delivered by the New York State Inspector General to the Authority related to such matters and shall serve as a point of contact therewith.

2. Discuss with management of the Authority and the Authority's independent auditor any correspondence with financial regulators or governmental agencies and any published reports which raise material issues regarding the Authority's financial statements, accounting policies, or internal controls.
3. Discuss with the Authority's General Counsel any legal matters that may have a material impact on the financial condition of the Authority, which may affect the financial statements or the Authority's compliance policies.

### **LIMITATIONS OF RESPONSIBILITIES**

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not employees or consultants of the Authority and do not have any duty or responsibility to conduct "field work" or other types of auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (a) the integrity of those persons and organizations within and outside the Authority that it receives information from and (b) the completeness and accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Trustees). In carrying out its oversight responsibilities, no member of the Committee shall be deemed to provide (i) any expert or special assurance as to the financial statements of the Authority or (ii) any professional certification as to the work of any outside auditor.



**Oversight Committee Charter**  
Long Island Power Authority  
March 29, 2017

**PURPOSE**

The Long Island Power Authority (the “Authority”) has responsibility for overseeing the performance of PSEG Long Island (“PSEG LI”) under the Amended and Restated Operations Services Agreement (“Amended OSA”), with the goal of ensuring that customers in the Service Territory receive safe, reliable, efficient, clean and affordable utility service.

To carry out its responsibility to assure that the Authority and PSEG LI reach these goals, the Board of Trustees has established the Oversight Committee<sup>1</sup> (the “Committee”) and assigned to it the oversight responsibilities set forth below.

**MEMBERSHIP**

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair (“Committee Chair”). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio, voting member of the Committee.

**MEETINGS**

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the Committee members then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee and the Committee shall have the power to act by a majority of the members present (in person or via video-conference) at any meeting.

Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and

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<sup>1</sup> When it was established in 2014, the Committee was named the Contract Oversight Committee, in reference to its oversight of compliance with the Amended OSA. It is being renamed the Oversight Committee to reflect the breadth of its responsibilities.

Article 7 of the Public Officers Law that relate to public notice, public speaking and conduct of executive session, and minutes will be taken and maintained.

The Committee may request any officer or employee of the Authority, PSEG Long Island or the Authority's outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

## **RESPONSIBILITIES**

The Committee shall, with information supplied by Authority and PSEG LI staff:

- Monitor PSEG LI's performance under the Amended OSA related to: performance metrics; emergency management; transmission and distribution operations; energy efficiency and renewable goals; capital and operating budget expenditures; communications with stakeholders; customer service, billing and collections; power supply and fuel supply management (as carried out by PSEG Energy Resources & Trade); power markets activities; senior management staffing; and other matters related to PSEG LI's scope of services under the Amended OSA;
- Monitor PSEG LI's compliance with "Contract Standards" as defined in the Amended OSA, including compliance with applicable law and New York Public Service Commission practices; PSEG LI's environmental stewardship goals, and its compliance with policies adopted by the Authority and the State;
- Monitor PSEG LI's implementation of recommendations included in Management and Operations Audits conducted by the Department of Public Service;
- Review recommendations made by the Department of Public Service with respect to PSEG LI's performance and proposed programs, expenditures, and tariff changes<sup>2</sup>;
- As needed to assist the Board of Trustees in considering proposed power supply or transmission transactions, review contracts and recommend appropriate action by the Board of Trustees;
- Review Authority management's operations and financial oversight process; and
- Report and make recommendations to the Board of Trustees from time to time on the results of its reviews and monitoring of the foregoing, and carry out such other responsibilities consistent with its purpose as may be assigned from time to time by the Chair of the Board of Trustees or the Board of Trustees.

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<sup>2</sup> The Oversight Committee will coordinate with or defer to the Finance and Audit Committee on recommendations from the Department of Public Service that also have significant financial implications.

**Personnel and Compensation Committee Charter**  
Long Island Power Authority  
January 25, 2017

**PURPOSE**

The purpose of the Personnel and Compensation Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Long Island Power Authority (the “Authority”) is to discharge the responsibilities of and make recommendations to the Board relating to attraction, appointment, evaluation, retention, compensation, and separation from employment of the Authority’s Chief Executive Officer; to oversee the CEO’s administration of the Authority’s compensation and benefit plans and personnel policies and programs including those related to the attraction, retention, continued development, and separation from employment of employees; and to consult with the Chief Executive Officer and advise the Board with respect to the attraction, appointment, retention and separation from employment of the Chief Financial Officer and General Counsel.

**MEMBERSHIP**

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair (“Committee Chair”). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio, voting member of the Committee.

Each Committee member shall meet the independence requirements set forth in the Public Authorities Accountability Act of 2005.

**MEETINGS**

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than twice a year. A majority of the members of the Committee then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee and the Committee shall have the power to act by a majority of the members present (in person or via video-conference) at any meeting. Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions.

The Committee may request any officer or employee of the Authority, PSEG Long Island or the Authority’s outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall meet at least annually, individually with the Chief Executive Officer.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and

Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session, and minutes will be taken and maintained.

**RESPONSIBILITIES**

1. Monitor and make recommendations to the Board with respect to the Authority's staffing and employment policies, practices, and programs, including those that seek to attract and retain a qualified workforce, support the continued professional development of the Authority's staff, and ensure employment practices that meet or exceed relevant laws and regulations.
2. Recommend for approval by the Trustees the appointment and compensation of the Chief Executive Officer and annually evaluate and make recommendations to the Board regarding the performance of the Chief Executive Officer relative to the mission, values, governance, and operating principles approved by the Board.
3. Annually review and, if appropriate, recommend to the Trustees changes in the compensation of the Chief Executive Officer taking into account such factors as:
  - a. the compensation and benefits of those at utilities of similar size and complexity;
  - b. an appropriate balance of compensation practices among public and private organizations;
  - c. industry and regional cost-of-living trends; and
  - d. individual performance and contribution.
4. Recommend for approval, in consultation with the Chief Executive Officer, the appointment of the Chief Financial Officer and General Counsel.
5. In consultation with the Chief Executive Officer, advise the Board with respect to emergency succession planning for the position of the Chief Executive Officer.
6. Report its actions and recommendations to the Board on at least an annual basis; and
7. Report to the Board, at least annually, regarding any proposed changes to the charter or the staffing and employment policies of the Board.

# **GOVERNANCE COMMITTEE CHARTER**

Long Island Power Authority

**January 25, 2017**

## **PURPOSE**

Pursuant to Section 2824 of the Public Authorities Law of the State of New York, the purpose of the Long Island Power Authority's (the "Authority") governance committee (the "Governance Committee") is to assist the Trustees of the Authority (collectively, the "Board") by:

- Keeping the Board informed of current best governance practices;
- Reviewing corporate governance trends for their applicability to the Authority;
- Updating the Authority's corporate governance principles;
- Ensuring that the Board's policies provide strategic direction for the Authority and that the Board is being effective in the utilization of the Authority's assets and oversight of the Authority's activities; and
- Advising those responsible for appointing Trustees on the skills and experiences required of potential Trustees.

## **MEMBERSHIP**

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair ("Committee Chair"). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio, voting member of the Committee.

Each Committee member shall meet the independence requirements set forth in the Public Authorities Accountability Act of 2005<sup>1</sup>.

## **MEETINGS**

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the members of the Committee then sitting shall constitute a quorum for the transaction of any business

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<sup>1</sup> An "independent" member is defined in the Act as one who: 1. is not, and in the past two years has not been a) employed by the public authority or an affiliate in an executive capacity; b) employed by an entity that has received remuneration valued at more than fifteen thousand dollars for goods and services provided to the public authority or received any other form of financial assistance valued at more than fifteen thousand dollars from the public authority; c) a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or an affiliate; and 2. is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate.

or the exercise of any power or function of the Committee and the Committee shall have the power to act by a majority of the members present (in person or via video-conference) at any meeting. Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session, and minutes will be taken and maintained.

The Committee may request any officer or employee of the Authority, PSEG Long Island or the Authority's outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

## **RESPONSIBILITIES**

The Board hereby assigns the Governance Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Governance Committee has specific expertise or delegated responsibility, as follows:

### General Responsibilities

- Develop and recommend to the Board policies for the sound governance of the Authority including but not limited to the Board's Mission, the purpose and role of the Board, the Board's relationship with the Chief Executive Officer ("CEO") of the Authority and other Board-appointed officers, Codes of Ethics and Conduct, performance standards for the Board and employees of the Authority, and other such policies as it deems necessary or appropriate to address transparency, independence, accountability, fiduciary responsibilities, and management oversight (which responsibility may be delegated by this Committee to other board committees that have greater first-hand knowledge or experience with the issue, at its discretion).
- Develop and recommend to the Board the number and structure of committees to be created by the Board, including this Committee.
- Develop and provide recommendations to the Board evaluation of the performance of the Board, its committees and senior management<sup>2</sup> in the Authority's governance process, including coordination and oversight of such performance evaluations.
- Examine potential ethical and conflict of interest issues and situations.

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<sup>2</sup> The responsibility to evaluate the Board-appointed executives has been delegated to the Personnel and Compensation Committee

## **Specific Responsibilities**

- Develop, review on a regular basis, and update as necessary the Authority's Mission Statement, Policy Goals and Operations and Oversight Plan (collectively, the strategic plan) to ensure that the Authority is establishing and following the appropriate and necessary direction for itself, the CEO and all of LIPA's service providers for the immediate and long term benefit of the customer-owners and residents of Long Island.
- Develop, review on a regular basis, and update as necessary the Authority's Code of Ethics and Conduct, which shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation, as included in the Code.
- Develop and recommend to the Board any required updates on the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.
- Develop and recommend to the Board any required updates on the Authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board all updates on the Authority's other written policies that are required by statute or by resolution of the Board which have not been delegated to other Board committees or retained to itself by the Board.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting the business of the Board, such as the Authority's by-laws. The Governance Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.
- Review and report to the Board at least annually on the effectiveness of the Board, the Board's governance structure and the Board's policies, and make such recommendations to the Board as will improve the effectiveness of the Board, the utilization of the Authority's assets and the Board's oversight of the Authority's operations. The Committee will similarly assess its own activities and effectiveness as a Committee and report that to the Board annually.
- Develop a description of the competencies and personal attributes required of Trustees to assist those authorized to appoint members to the Board in identifying qualified individuals.

- Develop and provide recommendations to the Board regarding Trustee education, including new Trustee orientation and regularly scheduled Trustee training.
- Review and report to the Board on the requirement under the LIPA Reform Act to keep the Authority's staffing at only those levels necessary to ensure that the Authority is able to meet its obligations with respect to its bonds and notes and all applicable statutes and contracts, and oversee the activities of its service provider<sup>3</sup>.

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<sup>3</sup> This responsibility has been delegated to the Personnel and Compensation Committee



## **REFORMING THE ENERGY VISION COMMITTEE CHARTER**

Long Island Power Authority

January 25, 2017

### **PURPOSE**

Remaining knowledgeable and up-to-date on the principles, policies and recommendations of the New York Public Service Commission's ("PSC") Reforming the Energy Vision ("REV") proceeding is a necessary part of carrying out the Long Island Power Authority's ("LIPA" or the "Authority") obligations and oversight of PSEG Long Island ("PSEG LI"). Therefore, the Board of Trustees has established the REV Committee (the "Committee") and assigned to it the responsibilities set forth below.

### **MEMBERSHIP**

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair ("Committee Chair"). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio, voting member of the Committee.

### **MEETINGS**

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the members of the Committee then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee and the Committee shall have the power to act by a majority of the members present (in person or via video-conference) at any meeting.

Meeting agendas will be prepared for every meeting and provided to the Committee members at least 2 days in advance of the scheduled meeting, along with appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session, and minutes will be taken and maintained.

The Committee may request any officer or employee of the Authority, PSEG LI or the Authority's outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

## **RESPONSIBILITIES**

To fulfill its responsibilities the Committee shall, with information supplied by LIPA and PSEG LI staff:

- Monitor the policies, principles and recommendations being advanced by the PSC in its REV proceeding;
- Monitor PSEG LI's participation in the PSC's REV proceeding;
- Monitor PSEG LI's efforts to implement the PSC's REV policies, principles and recommendations in the Long Island service territory;
- As needed to assist the Board of Trustees in considering proposed renewable energy contracts, review contracts and recommend appropriate action by the Board of Trustees;
- Monitor management's oversight of PSEG LI's efforts to implement the PSC's REV policies, principles and recommendations;
- Report and make recommendations to the Board of Trustees from time to time on the results of its monitoring of the foregoing;
- Report annually to the Board of Trustees on how it has met its responsibilities as outlined in this Charter; and
- Carry out such other responsibilities consistent with its purpose as may be assigned from time to time by the Chair of the Board of Trustees or the Board of Trustees.