

Long Island Power Authority

OVERSIGHT COMMITTEE - 2017 REPORT

The Oversight Committee (the “Committee”) of the Long Island Power Authority’s Board of Trustees (the “Board”) has prepared this report related to its obligations pursuant to the Committee’s charter.

Among its responsibilities, the Committee must report its actions and recommendations to the Board on how it has discharged its duties and met its responsibilities pursuant to its Charter. The Committee is also charged with specific responsibilities including:

- Monitoring PSEG Long Island’s performance under the Amended and Restated Operations Services Agreement (“Amended OSA”) related to performance metrics; emergency management; transmission and distribution operations; energy efficiency and renewable goals; capital and operating budget expenditures; accounting and reporting activities; communications with stakeholders; power supply and fuel supply management; power markets activities; senior management staffing; presentation of rate cases; and other matters related to PSEG Long Island’s scope of services under the Amended OSA;
- Monitoring PSEG Long Island’s compliance with “Contract Standards” as defined in the Amended OSA;
- Monitoring PSEG Long Island’s implementation of recommendations arising from time to time out of management and operations audits conducted by or under the supervision of the Department of Public Service;
- Reviewing recommendations made by the Department of Public Service related to the Amended OSA; and
- Reviewing management’s contract and financial oversight process.

The Committee must make recommendations to the Board from time to time on the results of its reviews and monitoring activities. Accordingly, the Committee reports as follows:

Membership

The charter requires that a minimum of three Trustees serves as members of the Committee. As appointed by the Chair of the Board, the following three Trustees currently serve on the Committee:

Elkan Abramowitz, Chair
Sheldon L. Cohen
Matthew Cordaro

Meetings

The Committee is required to meet as often as it determines necessary, but not less frequently than four times per year. As of December 31, 2017, the Committee met five times.

Committee Activities

During 2017, the Committee satisfied each of the obligations contained in its Charter including the following key activities:

- Monitor PSEG Long Island's 2017 performance metrics;
- Monitor PSEG Long Island's energy resources;
- Monitor load forecasts and energy efficiency trends;
- Approval of the Board Oversight Policy on Customer Service;
- Approval of the Board Oversight Policy on Reliability;
- Approval of the Board Oversight Policy on Resource Planning, Renewables, and Efficiency;
- Monitor storm budget and emergency response plans;
- Monitor summer preparation for power supply and T&D;
- Monitor the T&D capital budget and FEMA projects;
- Approval of the extension of Power Purchase Agreement for the Fitzpatrick Nuclear Facility;
- Monitor Tier 2 performance metrics;
- Approval of the Board Oversight Policy on Safety;
- Monitor the Authority's critical energy infrastructure;
- Monitor PSEG Long Island's power procurements; and
- Monitor storm performance of hardened circuits.

Conclusion

The Committee will continue to support the Board of Trustees in discharging its oversight responsibilities and other charter obligations and remains available to provide assistance and guidance regarding any additional responsibilities requested by the Trustees or the Chair of the Board.