

Board Policy:	<b>Resource Planning, Energy Efficiency and Renewable Energy</b>
Policy Type:	<b>Operating Policies</b>
Monitored by:	<b>Oversight Committee</b>
Board Resolution:	<b>#1372, approved July 26, 2017 #1421, amended July 25, 2018</b>

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### **Board Policy on Resource Planning, Energy Efficiency and Renewable Energy**

It is the policy of the Long Island Power Authority to supply the energy needs of the Authority's customers in a clean, reliable and affordable manner by:

- **Planning.** Planning for and maintaining a power supply portfolio that meets applicable New York State Independent System Operator and New York State Reliability Council requirements, environmental standards, and the State's Clean Energy Standard; and updating the Integrated Resource Plan to reassess system needs, when such updates are necessary, but no less often than every five years.
- **Managing the Portfolio.** Managing the power supply portfolio to minimize cost and maximize performance, including the economic scheduling of assets, power plant availability and thermal efficiency, within contractual constraints.
- **Competitive Procurement.** Minimizing cost by competitively procuring generation and distributed energy resources through wholesale market purchases, bilateral contracts, and if appropriate, after balancing cost and risk, ownership or pre-payments for energy<sup>1</sup>, utilizing to the extent feasible and cost-effective, Authority-owned land and rights to acquire legacy generating sites.<sup>1</sup>
- **Clean Energy.** Procuring cost-effective renewable resources, renewable energy certificates ("RECs"), and behind-the-meter resources such as energy efficiency and demand response, including acting in coordination with other State energy authorities, if advantageous to our customers;<sup>2</sup> and integrating cost-effective distributed energy production and storage technologies into the power supply portfolio and enabling the economic and secure dispatch of resources deployed within the distribution system and within customer premises.
- **Wholesale Market Policy.** Minimizing cost by representing the interests of Long Island electric customers in the New York and regional wholesale markets and their respective stakeholder processes, as well as direct engagement with appropriate Federal and State regulatory authorities.

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<sup>1</sup> The Authority owns an 18% share of Nine Mile Point Unit 2 and has certain options to buy generation assets, typically at the expiration of a power purchase agreement, or to prepay for energy in exchange for a discount. The Authority will not take construction or development-related risks on new generation projects.

<sup>2</sup> In selecting among alternatives, the Authority will take into consideration the operational, environmental and economic benefits to the Authority's service territory, including their impact on long-term local employment.

<sup>3</sup> In selecting among reasonably comparable alternatives, the Authority will opt for lower carbon-emitting resources.

The Chief Executive Officer will report at least annually to the Board of Trustees on:

- Compliance with applicable regulatory and environmental standards;
- Resource adequacy of the power supply portfolio relative to the expectations of the most recent Integrated Resource Plan.
- Performance of individual generation resources against industry benchmarks and contractual standards;
- Activities to procure generation, renewable and distributed energy resources in a cost-effective manner, including compliance with the State's Clean Energy Standard for the prior calendar year, disposition of surplus RECs, and reductions in consumption arising from behind-the-meter resources; and
- Activities to represent the interests of Long Island electric customers at the State, regional and Federal levels.