

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 278TH MEETING

HELD ON NOVEMBER 14, 2018

The Long Island Power Authority (the “Authority”) was convened for the two-hundred-and-seventy eighth time at 11:04 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on November 9, 2018, and electronic notice posted on the Authority’s website.

The following Trustees of the Authority were present:

**Ralph Suozzi, Chair
Drew Biondo
Sheldon Cohen
Matthew Cordaro
Mark Fischl
Peter Gollon
Jeffrey Greenfield**

Representing the Authority were Thomas Falcone, Chief Executive Officer; Anna Chacko, General Counsel; Rick Shansky, Vice President of Operations Oversight; Kenneth Kane, Interim Chief Financial Officer, Bobbi O’Connor, Vice President of Policy, Strategy and Administration & Secretary to the Board of Trustees; Donna Mongiardo, Vice President and Controller; Kathleen Mitterway, Vice President of Audit; and Sid Nathan, Director of Communications.

Representing PSEG Long Island were Daniel Eichhorn, President and COO; Rick Walden, Vice President of Customer Service; John O’Connell, Vice President of Transmission & Distribution; David Lyons, Vice President of Construction and Operation; Paul Napoli, Vice President of Power Markets; Andrea Elder-Howell, Managing Director and Vice President of Legal; James Parmelee, Director of Power Resources and Contracts; and Gregory Player, Director of Transmission and Distribution Services.

Chairman Suozzi welcomed everyone to the 278th meeting of the Long Island Power Authority Board of Trustees and led the Pledge of Allegiance.

Chairman Suozzi stated that the first item on the agenda was the Chairman's remarks.

After the Chairman's remarks, Chairman Suozzi stated that the next item on the agenda was the Consideration of the Consent Agenda Items.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was unanimously adopted by the Trustees based on the memoranda summarized below:

1442. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE OCTOBER 24, 2018 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on October 24, 2018 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

Chairman Suozzi stated that the next item on the agenda was the Amendment to South Fork Offshore Wind Project Power Purchase Agreement and Extension of Waiting List Enrollment Period for Commercial Solar Feed-In Tariff III to be presented by Rick Shansky, Paul Napoli and James Parmelee.

After requesting a motion on the matter, which was seconded, Mr. Shansky, Mr. Napoli and Mr. Parmelee presented the following action item and took questions from the Trustees.

Requested Action

The Trustees are requested to approve and adopt a resolution authorizing the Chief Executive Officer, or his designee(s), to execute Amendment No. 1 to the Power Purchase Agreement ("PPA") between the Long Island Power Authority ("LIPA" or the "Authority") and Deepwater Wind South Fork, LLC ("Deepwater")¹, to increase the delivered capacity ("Incremental Capacity") by up to an additional 40 megawatts ("MW") and take such other

¹ Ørsted has acquired a 100% equity interest in Deepwater Wind, including Deepwater Wind South Fork, LLC.

actions as may be reasonably necessary to implement arrangements by LIPA to purchase energy, installed capacity, renewable attributes and ancillary services, as summarized below.

Additionally, the Trustees are requested to adopt a resolution approving modification to LIPA's Tariff for Electric Service to extend the waiting list enrollment period for Feed-in Tariff III ("FIT III") from February 1, 2019 to February 1, 2020.

Background

On January 25, 2017, the Trustees approved the PPA for the purchase of energy, installed capacity, renewable attributes and ancillary services from Deepwater's proposed 90 MW South Fork Wind Farm (the "Project").² The Project was one of a series of initiatives designed to meet increased load on the South Fork of Long Island and defer the need for local transmission upgrades, while also contributing to the Authority's clean energy portfolio³.

The Project was planned as a 90 MW offshore wind farm located in federal waters 30 miles east of Montauk. The Project is being designed to interconnect with the LIPA transmission system via an approximately 50 mile 138-kV undersea and underground cable connecting to the existing 69kV bus at the East Hampton substation. Deepwater Wind South Fork, LLC plans to achieve a December 1, 2022 Commercial Operation Date ("COD") for the Project.

Although the Project was planned to consist of fifteen 6-MW turbines (i.e., a total of 90 MW), the PPA allows Deepwater to select from commercially available turbine sizes. To protect customers from paying for energy associated with more than 90 MW of capacity, the PPA set limits for capacity and energy deliveries from the Project.

Since the execution of the PPA, commercially available and proven turbine sizes have increased to between 8 and 12 MW. Preliminary studies indicate interconnection at the East Hampton substation, however, is limited to no more than 130 MW, without significant additional land-based transmission reinforcement that would make expansion of the project economically unattractive compared to other points of interconnection across Long Island.

This improvement in commercially available turbine technology presents the opportunity to increase the Project's energy output without expanding its infrastructure (e.g., towers, 138 kV cable, or significant investment in the land-based transmission system), thereby spreading the fixed-costs of the Project across greater clean energy output.

Discussion

PSEG Long Island and Deepwater Wind recognized this opportunity and have been able to negotiate favorable terms for the additional energy and associated capacity. The proposed Amendment No. 1 would provide as much as a 44% increase in output, at an incremental

² The South Fork Wind Farm will be the first project developed within the federally-licensed wind development area known as Deepwater ONE.

³ The other initiatives are an 8 MW load reduction program and two 5MW (40-MWh) battery storage projects.

price that is a significant reduction from the original contract price, within the same 15-turbine footprint as the original Project design. Notable terms of the arrangement include:

- **Incremental capacity of up to 40 MW (i.e., a maximum output of 130 MW), subject to completing studies of transmission system upgrades that may be needed to deliver the Project's increased output from the East Hampton substation to the 138 kV system in Eastern Suffolk County. The Amendment would allow Deepwater to adjust downward the amount of incremental capacity to limit the parties' exposure to land-based transmission system upgrade costs.**

Deepwater plans to dedicate 11 turbines to the base amount of output associated with 90 MW of capacity; and the remaining 4 turbines would be dedicated to provide the incremental output of up to 130 MW.

The target commercial operation date for the incremental capacity would be the same as that for the 90 MW portion of the Project (i.e., December 2022), subject to an allowance for development delays. The term of LIPA's obligation to purchase the incremental energy deliveries would be twenty (20) years.

Other provisions of the existing contract will remain unchanged.

The total estimated cost of Amendment No. 1 for the 20-year term is projected to be approximately \$388 million. When compared to the cost of purchased power, the incremental output of the Project is expected to increase customer bills by 20 to 38 cents per month, depending on the cost of any associated land-based transmission upgrades, which will be finalized after further study. This incremental cost to customers will begin after the project enters commercial operation in December 2022.⁴

The approval of the contract amendment at the Board's November 2018 meeting will permit the amended Project to qualify for the 2018 federal tax credit, which is scheduled to decline by 20 percent on January 1, 2019. This results in approximately \$15 million of savings to LIPA customers.

Authority staff finds that the price of the incremental output is comparable or favorable to that of other recent offshore wind projects in the Northeast; and would be the lowest cost resource to be added to LIPA's clean energy portfolio. The Project would also offer an opportunity for local labor associated with construction of the Project, as well as ongoing maintenance⁵.

PSEG Long Island estimates that the increased output of the Project, when added to the other renewable energy sources in LIPA's portfolio, will be sufficient to allow LIPA to comply with the State's Clean Energy Standard through approximately 2023.

⁴ The total cost of the South Fork initiatives, including 130 MW of output from the Project, 80 MWhs of storage, and 8 MWs of load reduction will increase residential customer bills by an average of \$1.39 to \$1.57 per month.

⁵See Exhibit D

That projection of compliance assumes that the existing open feed-in tariffs (FIT III and IV) are fully subscribed. As the commercial solar feed-in tariff (FIT III) remains about 5 MW short of fulfilling its 20 MW goal, Authority staff recommends extending the application deadline by one year from February 2019 to February 2020 to accommodate additional projects⁶.

With the approval of the Project and the extension of the application deadline for FIT III, no other immediate renewable procurements are required; however, LIPA will need to obtain additional clean energy and energy efficiency resources to meet the State's Clean Energy Standard for the period between 2023 and 2030. PSEG Long Island will assess needs beyond 2023 and will apprise the Board of any additional procurements as they may become necessary.

Public Comments

The Authority has received public comments since the amendment to the Power Purchase Agreement was announced. These public comments are included as Exhibit "C".

Staff has also received a letter from the Supervisor of the Town of Southampton, dated November 13, 2018, attached hereto as Exhibit "G", requesting that the Board consider additional amendments to FIT III that would enable smaller PV projects to participate. Staff intends to provide a formal response highlighting other existing programs (i.e. net energy metering and VDER) that are readily available for smaller installations than already provided for under FIT III.

Recommendation

For the foregoing reasons, I recommend that the Trustees adopt two resolutions in the form of the resolutions attached hereto.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard⁷, upon a motion duly made and seconded, the following resolution was approved by the Trustees⁸.

1443. AUTHORIZATION TO ENTER INTO AMENDMENT NO. 1 TO THE POWER PURCHASE AGREEMENT WITH DEEPWATER WIND SOUTH FORK, LLC FOR THE SOUTH FORK WIND FARM PROJECT

WHEREAS, the Long Island Lighting Company d/b/a LIPA and Deepwater Wind South Fork, LLC ("Deepwater") are parties to a Power Purchase Agreement ("PPA"), dated

⁶When approved by the Board in 2016, FIT III was expected to increase customer bills by \$2.3 million per year, if fully subscribed. That equates to about 17 cents per month for the average residential customer

⁷Simon Kinsella spoke and requested his letter be added to the minutes; see appendix A

⁸ Trustee Cordaro abstained from the offshore wind vote.

January 25, 2017 for LIPA’s purchase of 90 MW of capacity and associated energy from the South Fork Wind Farm;

WHEREAS, Amendment No. 1 to the PPA would enable LIPA to purchase up to an additional 40 MW from the South Fork Wind Farm under favorable terms that would help LIPA meet its clean energy goals.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees (the “Board”) authorizes the Chief Executive Officer or his designee(s) to execute Amendment No. 1 to the PPA and other related agreements and arrangements, consistent with the terms of the accompanying memorandum, and to perform such further acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or his designee, to implement the Authority’s purchase of incremental energy, capacity, renewable attributes and ancillary services from the Deepwater Wind South Fork, LLC, South Fork Wind Farm Project.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was unanimously approved by the Trustees.

1444. APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF FOR ELECTRIC SERVICE EXTENDING THE WAITING LIST ENROLLMENT PERIOD FOR THE FEED-IN TARIFF FOR COMMERCIAL ROOFTOP SOLAR PHOTOVOLTAIC (PV) GENERATION (“FIT III”)

WHEREAS, on September 21, 2016, the Board adopted amendments to LIPA’s Tariff for Electric Service (the “Tariff”) implementing FIT III, which offered to purchase up to an additional 20 MW of renewable solar photovoltaic capacity to be located exclusively on commercial rooftops or on carports over paved areas; and

WHEREAS, the Tariff provisions provided that the “Authority will continue to accept applications from eligible Generation Projects until February 1, 2019”; and

WHEREAS, FIT III is not yet fully subscribed; and

WHEREAS, certain Generation Projects have already gone through the interconnection process, while other Generation Projects will continue to have the right to remain on the waiting list; and

WHEREAS, the Board finds that extending the waiting list deadline has no impact on any proposer’s rights under the existing Tariff provisions and will have a beneficial effect on the

overall implementation of FIT III and is consistent with the Board's actions implementing FIT III in September 2016.

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the Board hereby approves modifications to the Tariff to extend the waiting list enrollment period for FIT III from February 1, 2019 to February 1, 2020 and

BE IT FURTHER RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this tariff, and be it further

BE IT FURTHER RESOLVED, that the attached tariff leaves reflecting our action herein are approved.

Chairman Suozzi stated that the next item on the agenda was the Annual Budget Presentation to be presented by Thomas Falcone and Kenneth Kane.

Mr. Falcone and Mr. Kane presented the Annual Budget Presentation and took questions from the Trustees.

Chairman Suozzi stated that the next item on the agenda was the CEO's Report to be presented by Thomas Falcone.

Mr. Falcone presented the CEO Report and took questions from the Trustees.

Chairman Suozzi stated that the next item on the agenda was the CFO's Report to be presented by Kenneth Kane.

Mr. Kane presented the CFO Report and then took questions from the Trustees.

Chairman Suozzi stated that the next item on the agenda was the Secretary's Report on Board Policies and Communication to be presented by Bobbi O'Connor.

Ms. O'Connor presented the Secretary's Report and then took questions from the Trustees.

Chairman Suozzi stated the next item on the agenda was the PSEG Long Island Operating Report to be presented by Daniel Eichhorn.

Mr. Eichhorn presented the PSEG Long Island Operating Report and took questions from the Trustees.

Chairman Suozzi stated that the next item on the agenda was the Approval of a Revolving Credit Agreement with JP Morgan Chase to be presented by Kenneth Kane.

After requesting a motion on the matter, which was seconded, Mr. Kane presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees of the Long Island Power Authority (the "Board") is requested to adopt a resolution authorizing the establishment of a revolving credit agreement with JP Morgan Chase Bank NA ("JP Morgan Chase") in a principal amount not to exceed \$350,000,000 and authorizing the Chief Executive Officer or his designee to execute the revolving credit agreement.

Background

The Long Island Power Authority (the "Authority") desires to maintain its overall liquidity levels, which are comprised of cash on hand and a bank facilities program. The Authority believes that maintaining its liquidity will help in managing cash flows from its seasonal business, provide for advancing working capital as required under the Operations Services Agreement ("OSA") with its Service Provider, and provide available funds for unexpected events such as major storms.

Accordingly, the Authority issued a Request for Proposal for Letters of Credit Facilities, Direct Placement Rate Notes and Revolving Credit Agreements (the "Bank Facilities RFP") that was sent to 29 institutions in May 2017. Seven proposals were received. A selection committee consisting of three Authority staff, with the assistance of the Authority's financial

advisor, reviewed the proposals and concluded that the authority should accept the letter of credit proposals in support of the General Revenue Notes of (i) Citibank, (ii) Royal Bank of Canada (“RBC”), (iii) State Street Bank and Trust, and (iv) Barclays Bank PLC. The Board previously approved contracts for these on July 26, 2017. Those contracts were submitted to the Office of the State Comptroller (“OSC”) and approved in March 2018.

In addition to the proposals for letters of credit, JP Morgan Chase and State Street submitted their pricing for revolving credit agreements. Since the expiration date on the Authority’s existing revolving credit agreement with TD Bank is not until March 2019, the Authority decided to award such contract at a date closer to the expiration date on the current agreement.

The Authority is now prepared to move forward and award the contract for a maximum of 3 years to JP Morgan Chase. Under the proposed credit agreement, JP Morgan Chase will be the only lender for the entire \$350 million with the ability to bring in additional banks in the future if needed.

The obligation to repay amounts advanced under the proposed credit agreement with JP Morgan Chase will be evidenced by Notes issued under the Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution on May 18, 2016 and Certificate of Determination.

Recommendation

Based on the foregoing, I recommended adopting of a resolution in the form attached hereto.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was unanimously approved by the Trustees.

1445. RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A REVOLVING CREDIT AGREEMENT WITH JP MORGAN CHASE BANK NA (“JP MORGAN CHASE”) IN A PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000 AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE THE REVOLVING CREDIT AGREEMENT

WHEREAS, on May 13, 1998 the Long Island Power Authority (the “Authority”) adopted its Eclectic System General Revenue Bond Resolution (the “General Resolution”), which authorizes bonds, notes or other evidences of indebtedness of the Authority, as special obligations of the Authority in accordance with the terms thereof for any lawful purpose of the Authority; and

WHEREAS, pursuant to the Authority’s Request for Proposal for Letters of Credit Facilities, Direct Placement Rate Notes and Revolving Credit Agreements, the Authority has

received proposals from a number of different banks to enter into lines of credit, revolving credit agreements or other credit facilities, and based on a review of such proposals, the staff has recommended that the Authority enter into a revolving credit agreement with JP Morgan Chase for the purpose of a providing a source of funding for the capital, operating needs, and other of the Authority as set forth in the Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution (the “Nineteenth Supplemental Resolution”); and

WHEREAS, on December 13, 2012, the Trustees adopted the Nineteenth Supplemental Electric System General Revenue Bond Resolution and on May 18, 2016, the Trustees approved the amendment and restatement thereof (as so amended and restated, the “Nineteenth Supplemental Resolution”) which authorized Electric System General Revenue Notes in an amount not to exceed \$500,000,000 outstanding at any one time; and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the Board of Trustees hereby establishes a revolving credit agreement with JP Morgan Chase (the “Credit Agreement”) in a principal amount not to exceed \$350,000,000.
2. The payment obligation of the Authority under the Credit Agreement shall be evidenced by the issuance of Notes constituting senior lien obligations under the General Resolution, as provided in the Nineteenth Supplemental Resolution.
3. That the Chief Executive Officer, Chief Financial Officer, General Counsel, Secretary and Controller be, and each of them hereby is, authorized to approve, execute and deliver, under the seal of the Authority if required, the Credit Agreement and such other agreements, certificates and other instruments and to do any and all acts necessary or proper for carrying out and implementing the terms of, and the transactions contemplated by this resolution and each of the documents authorized thereby and hereby.
4. This resolution shall take effect immediately.

Chairman Suozzi stated that the last item on the agenda was Approval of the Annual Report on the Board’s Policy on Safety to be presented by Rick Shansky and Gregory Player.

After requesting a motion on the matter, which was seconded, Mr. Shansky and Mr. Player presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority”), have complied with the Board Policy on Safety (the “Policy”) for the period since the last annual review, and approving the annual report for the Policy, which resolution is attached hereto as Exhibit “A”.

Background

By Resolution No. 1379, dated September 27, 2017, the Board adopted the Policy. The Policy sets objectives to ensure a safe environment for the dedicated workforce of its service provider and the public. The Policy also establishes regular performance reporting by Staff to enable the Board to assess the adequacy of the service provider’s policies, procedures, and practices for safety; compliance with applicable health and safety laws and regulations; safety performance, including comparisons to peer electric utilities; and initiatives to improve safety of the service provider’s operations.

Compliance with the Policy

Staff recommends that the Board find that the Authority has complied with the objectives of the Policy for the period since the last annual review, for the reasons set forth below.

The Policy provides for the following:

- a) “Reviewing on a periodic basis no less than every three years the policies, procedures, and practices of the Authority’s service provider.”

In 2017, the Authority hired Schumaker & Company (“Schumaker”) to complete a Safety Assessment of PSEG Long Island. Schumaker’s report concluded that PSEG Long Island “has an effective safety organization” and a “positive safety culture” in which safety is a top priority. The Schumaker report also contained nine recommendations aimed at improving safety performance in such areas as staffing, training, performance metrics, material storage racks, and disposal of obsolete tools and equipment. Since 2017, PSEG Long Island has made substantial progress toward implementing these recommendations.

- b) “Benchmarking the safety performance of the service provider to the top 25 percent of peer utilities, as measured by OSHA Recordable Incidence Rate and OSHA Days Away Rate.”

PSEG Long Island participates in an OSHA benchmarking process with 13 utilities in the United States. That benchmarking is used by LIPA and PSEG Long Island to set Safety Targets for the Operations Services Agreement.

- c) “Assessing the operational factors that contribute to injuries (e.g. motor vehicle accidents) and the efforts to improve performance, where necessary.”

PSEG Long Island has an ongoing process for assessing the factors that drive safety performance.

PSEG Long Island has identified several areas that merit close tracking and has established programs to reduce safety risks, including: removal of work hazards, reducing musculoskeletal injuries through improved work techniques, and increasing emphasis on motor vehicle safety.

Further details on PSEG Long Island’s Safety Program are contained in the attached presentation as Exhibit “B”.

Staff’s Work Plan

The next in-depth assessment and review of the policies, procedures and practices of the Authority’s service provider is scheduled for 2020, in compliance with the Board’s Policy of a review “no less than every three years.”

Annual Review of the Policy

Staff recommends no changes to the Policy.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was unanimously approved by the Trustees.

1446. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON SAFETY

WHEREAS, the Board Policy on Safety (the “Policy”) was originally approved by the Board of Trustees Resolution No. 1739, dated September 27, 2017;

WHEREAS, the Board has received the annual Staff report on compliance with the Policy;
and

WHEREAS, the Board has reviewed the Policy and affirms no changes to the Policy are required.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Policy for the period since the last annual review and approves the annual report to the Board.

Chairman Suozzi then allowed public comment to be heard, and then announced that the next Board meeting is scheduled for Wednesday, December 19, 2018 at 11:00 a.m. in Uniondale.

Chairman Suozzi asked for a motion to adjourn to Executive Session and announced that no votes would be taken and that the Board would not be returning to Open Session. The motion was duly made and seconded, and the following resolution was adopted:

1447. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing security and litigation matters.

At approximately 2:07 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.

Appendix A

Letter from Simon Kinsella

100 Wainscott Main Street

Wainscott, New York 11975

E-MAIL:
SI@FINKKINSELLA.COM

SIMON KINSELLA
100 WAINSCOTT MAIN STREET
WAINSCOTT, N. Y. 11975-0792

M (631) 903-9154

November 14, 2018

Presented at Board Meeting
LIPA Board of Trustees
333 Earle Ovington Blvd, SUITE 403
Uniondale, New York, NY

Re: Amendment to Deepwater Wind South Fork
Offshore Wind Project Power Purchase Agreement

Members of the Board of Trustees:

Thank you for allowing me to speak with you today. My name is Simon Kinsella and I live in Waincott on eastern Long Island.

[Present petition containing 321 signatures against the Deepwater Wind South Fork Project.]

The proposal before you today is not the same proposal on which the general public were invited to comment.

Deepwater Wind presented to the public a proposal to build a 90MW wind farm with an export cable of 69 kV that was later changed to 138kV.

The proposal before you today is for a wind farm that – according to Deepwater Wind’s recent submission to the Bureau of Ocean Energy Management (BOEM) – is for a wind farm of 130MW if not 180MW, together with infrastructure that has the capacity to deliver eight-times the electricity than was originally proposed.²

The general public has been denied the opportunity to comment on this vastly different proposal.

The public are only now becoming aware of what is being proposed by Deepwater Wind based upon its submission just last month to BOEM.

In its submission to the NYS Public Service Commission (PSC) just a month earlier, Deepwater Wind did not propose doubling the size of its wind farm and installing infrastructure that is capable of delivering eight-times the electricity.

To put this into perspective, Deepwater Wind's recent submission to BOEM contains specifications that will permit it to transmit more than four-times the current total transmission capacity on the South Fork today.³

Should you pass this proposed Amendment now under consideration which substantially changes the project, Deepwater Wind will have to re-file an application for a Certificate of Environmental Compatibility and Public Need with the NYS Public Service Commission (PSC) pursuant to Public Service Law Article VII.

In the Amendment to South Fork Offshore Wind Project Power Purchase Agreement submitted to the Board of Trustees by Mr. Falcone, it states that the wind farm was "designed to meet increased load on the South Fork of Long Island and defer the need for local transmission upgrades."

But according to the NYS Independent System Operator (ISO), the total annual energy usage for Long Island has declined by 7.3% over the past ten years and is projected to decline by a further 1.5% over the next ten years. Similarly, summer peak demand (non-coincidental) has declined by 3% and is projected to decline a further 1.7%.⁵ In other words, there is no increase in load, it has actually decreased.

I have no reason not to believe Mr. Falcone, so why is LIPA spending \$1.6 billion of ratepayers' money to build a wind farm that we don't need, let alone proposing to double its capacity?

I cannot see how Deepwater Wind can possibly justify to the PSC doubling its capacity and building infrastructure that can accommodate 8-times the electricity than was originally proposed where there is no need.

Furthermore, I cannot see how Deepwater Wind can avoid disclosing the price of its electricity to the residents of Long Island. It goes without saying, that it is the public interest that residents be told the price (in cents per kilowatt hour) that they will have to pay for their electricity.

Vineyard Wind disclosed to Massachusetts ratepayers a "price of 6.5 cents/kilowatt hour". Deepwater Wind had previously disclosed the price for its electricity to the ratepayers of Rhode Island and Maryland. So why is Deepwater Wind hiding the price it plans to pass onto Long Island ratepayers?

Based upon the NYS Comptroller's valuation of the Power Purchase Agreement between LIPA and Deepwater Wind, the estimated price to local Long Island ratepayers is 22.5 ¢/kWh. This is more than three-times the price than the ratepayers of Massachusetts will be paying for the same offshore wind-generated electricity.

Deepwater Wind's claim that its final price is a "trade secret" is unlikely to withstand judicial review.

It is unlikely that Deepwater Wind will be granted a Certificate of Environmental Compatibility and Public Need, and even more so should you approve this Amendment today. In light of this, is LIPA considering other renewable energy options?

There are better options available to LIPA that are less than half the price of an offshore wind farm and do not require building more fossil-fuel fast-startup power stations. Is LIPA actively looking into and considering distributed renewable energy?

For example –

In March 2018, Pacific Gas & Electric won approval to replace an aging 165MW jet fuel-powered facility on Oakland, CA, with a mix of distributed clean energy resources, namely solar arrays and battery storage.

In 2016, the city of Fremont established a Solar Renewable Microgrid Project connecting three fire stations in a microgrid consisting 40kW solar photovoltaic carport canopies paired with 95kWh battery energy storage.

If LIPA doubles-down on Deepwater Wind and locks-in high prices for electricity, it will force ratepayers like me to move towards less expensive and more reliable microgrid technology. The reality in the past two years has changed and LIPA is no-longer a monopoly. There is an alternative.

I ask the Board to consider using microgrid technology instead of Deepwater Wind, and by so doing, LIPA will be part of the future and not part of the problem. Please consider distributed clean energy resources that are more reliable, have greater redundancy and are less expensive.

Sincerely yours,



Si Kinsella