

**LONG ISLAND POWER AUTHORITY**

**MINUTES OF THE OVERSIGHT and REV COMMITTEE MEETING**

**HELD ON DEEMBER 19, 2018**

The Oversight and REV Committee of the Long Island Power Authority (the "Authority") was convened at 10:21 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on December 14, 2018; and electronic notice posted on the Authority's website.

The following Trustees of the Authority were present:

**Mark Fischl, Committee Chair  
Sheldon Cohen, Committee Member  
Matthew Cordaro, Committee Member  
Peter Gollon, Committee Member  
Elkan Abramowitz**

Representing the Authority were Thomas Falcone, Chief Executive Officer; Anna Chacko, General Counsel; Rick Shansky, Vice President of Operations Oversight; Bobbi O'Connor, Vice President of Policy, Strategy and Administration & Secretary to the Board of Trustees; and Michael Deering, Director of Customer Service Oversight and Stakeholder Relations.

Representing PSEG Long Island were David Lyons, Vice President of Construction and Operation; John O'Connell, Vice President of Transmission and Distribution; and Chris Hahn, Director of External Affairs.

*Committee Chair Fischl welcomed everyone to the newly formed Oversight and REV Committee meeting of the Long Island Power Authority Board of Trustees and stated that the first item on the agenda was the adoption of the minutes from the July 25, 2018 Oversight Committee and REV Committee meetings.*

*Upon motion duly made and seconded, the minutes of the July 25, 2018 Oversight Committee and REV Committee meetings were approved unanimously.*

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*Chair Fischl then stated that the last item on the agenda was the Recommendation for Approval of the Annual Report and Amendments on the Board's Policy on Evaluation of Underground Facilities and Public Outreach Prior to Construction of Major Projects to be presented by Rick Shansky and Chris Hahn.*

*Mr. Shansky and Mr. Hahn presented the Annual Report and Amendments on the Board's Policy on Evaluation of Underground Facilities and Public Outreach Prior to Construction of Major Projects and presented the following action item and took questions from the Trustees:*

#### **Requested Action**

The Oversight and REV Committee (the "Committee") of the Board of Trustees of the Long Island Power Authority (the "Board") is requested to adopt a resolution recommending: (i) that the Long Island Power Authority and its subsidiary, LIPA (collectively the "Authority" or "LIPA") have complied with the Board Policy on the Evaluation of Underground Facilities and Public Outreach Prior to Construction of Major Projects (the "Policy"); (ii) approval of the annual report for the Policy; and (iii) approval of certain amendments to the Policy, which resolution is attached hereto as Exhibit "A".

#### **Background**

By Resolution No. 1383, dated September 27, 2017, the Board adopted the Policy with the purpose of supplementing existing requirements and practices and to guide consistent decision-making related to: (i) the evaluation of system-wide benefits and costs for underground construction of projects where such benefits may exceed their costs; and (ii) public outreach prior to construction of major projects.

#### **Compliance with the Policy**

Staff recommends that, for the reasons set forth below, the Board find that the Authority has complied with the Policy for the period since the adoption of the policy last year.

The Policy requires that the Chief Executive Officer annually report to the Board on the Policy, including: (i) the results of applying the standardized criteria for evaluating systemwide benefits of undergrounding to applicable projects; (ii) the quantitative and qualitative results of the Service Provider's public outreach practices; and (iii) and other elements of compliance with this Policy.

The results of applying the standardized criteria for evaluating systemwide benefits of undergrounding to applicable projects:

- Since the adoption of the Policy, one capital project that would require the evaluation as provided for in the Policy is currently undergoing review. PSEG Long Island has proposed a new 69kV transmission line between the Plainview and Ruland Road substations. That project is being evaluated pursuant to the Policy, and such evaluation will be reported to the Board as part of the next annual review.

The quantitative and qualitative results of the Service Provider's public outreach practices:

- As part of the LIPA and PSEG Long Island Management and Operations Audit Implementation Plan, dated October 24, 2018 (the "Implementation Plan"), PSEG Long Island is required to "measure the effectiveness of capital-project outreach, media relations and external affairs programs, to determine whether outreach efforts are cost-efficient, on target, and achieving results." The results of such effort will be reported to the Board as part of updates on the Implementation Plan and will also be part of the next annual review of the Policy.
- After the evaluation of the proposed new 69kV transmission line between the Plainview and Ruland Road substations, as discussed above, PSEG Long Island's External Affairs Department will conduct outreach in accordance with the Policy. The quantitative and qualitative results of such outreach effort will be reported to the Board as part of the next annual review of the Policy.

Other elements of compliance with this Policy:

- In December 2017, the Board adopted changes to the Authority's Tariff for Electrical Service (the "Tariff") to create a municipal financing program which would allow the Authority to apply a charge to customers in municipalities where the municipality has requested the incremental undergrounding of T&D facilities in lieu of overhead construction where overhead construction is the appropriate method.
- The Tariff provisions allow the requesting municipality the option of paying either the full incremental cost of undergrounding in advance of construction or paying the cost in the form of an incremental consumption charge for a period of 20 years.
- Pursuant to these Tariff provisions, PSEG Long Island has begun discussions with the Village of Farmingdale to underground certain distribution facilities in a commercial area. The final details of this project will also be reported to the Board as part of the next annual review.

### Annual Review of the Policy

Staff proposes the following changes to the Policy:

- The name of the Policy should be changed to "Construction of Transmission and Distribution Projects" to more accurately reflect the character of the process and its

applicability throughout the service area and for projects that do not involve underground facilities.

- The content of Attachment A, Principles of Public Outreach, is moved to the body of the Policy to emphasize its importance to the Policy.
- Certain other non-material wording changes as set forth in Exhibit “B”.

### **Recommendation**

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

*A motion was made and seconded, and the Trustees unanimously adopted the following resolution:*

### **RESOLUTION RECOMMENDING APPROVAL OF THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON THE EVALUATION OF UNDERGROUND FACILITIES AND PUBLIC OUTREACH PRIOR TO CONSTRUCTION OF MAJOR PROJECTS**

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WHEREAS, the Board Policy on the Evaluation of Underground Facilities and Public Outreach Prior to Construction of Major Projects (the “Policy”) was originally approved by the Board of Trustees by Resolution No. 1383, dated September 27, 2017; and

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

WHEREAS, the Committee has reviewed the Policy and recommends approval of the changes to the Policy as recommended by Staff.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Committee hereby recommends: (i) that the Board find that the Authority has complied with the Policy for the period since the adoption of the Policy; (ii) approval of the annual report to the Board; and (iii) approval of updates to the Policy, as provided for herein.

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*At approximately 10:21 a.m. Chair Fischl stated that the Committee would adjourn to Executive Session to discuss security matters. Chair Fischl stated that no votes would be taken and that the Committee would not be returning to public session.*

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