

2020



LIPA
Long Island Power Authority

WORK PLAN

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LIPA Mission and Values

LIPA is a not-for-profit public utility with a mission to enable clean, reliable, and affordable electric service for our customers on Long Island and the Rockaways.

In achieving our mission, LIPA values:

- Responsiveness:** being attentive to the needs and expectations of our community and stakeholders
- Excellence:** continually innovating and improving upon our performance
- Integrity:** conducting our affairs in an ethical and transparent manner
- Stewardship:** ensuring our assets are utilized efficiently and in accordance with sound fiscal and operating practices
- Sustainability:** minimizing our impact on our natural environment
- Teamwork:** respecting diverse viewpoints and attracting and retaining talented employees

Overview

The LIPA Board utilizes a policy governance model, whereby it identifies the Board's priorities as Board policies, which staff executes and reports back on each year.¹ The activities in the 2020 Work Plan advance the Board's policies in the areas of Reliability, Customer Service, LIPA Operations and Oversight, Resource Planning, Energy Efficiency, Renewables, Customer Value and Affordability, and Taxes.

The 2020 Work Plan includes activities for which LIPA has direct responsibility, such as finance, wholesale market policy, tariffs, and legal, as well as oversight of activities for which LIPA's service providers, including PSEG Long Island and National Grid, are responsible. The 2020 Work Plan builds upon the accomplishments of the 2019 Work Plan.²

LIPA's staff believes the activities in the 2020 Work Plan are the best use of time and resources over the next twelve months to advance LIPA's mission and the Board's vision for a "Clean, Lean, and Customer First" utility for Long Island and the Rockaways.

¹ A complete list of the Board's Policies and related annual reports can be found on LIPA's website at www.lipower.org/mission.

² For more information on the accomplishments of the 2019 Work Plan, see LIPA's 2019 Accomplishments Report, available on LIPA's website under Contracts and Reports.



2020 Work Plan

The 2020 Work Plan is organized around LIPA's functional areas: **Finance, Financial Oversight, Operations Oversight, Information Technology, Policy and Strategy, Human Resources, Communications and External Affairs, Legal and Internal Audit.**

Activities are organized by project, with each project addressing a specific, strategically important issue that warrants regular monitoring by senior management.

Significant activities identified in the 2019 Work Plan that will continue in 2020 are listed as carryover activities.

Progress on the 2020 Work Plan is tracked by management during the year. Staff expects to make changes to the Work Plan to meet evolving needs and priorities. Pursuant to the Board's Policy on Oversight and LIPA Operations, LIPA staff will report on the accomplishments of the annual Work Plan in early 2021.





Operations Oversight

PROJECTS:

- Develop a battery storage roadmap for LIPA's share of New York State's energy storage goals (1,500 megawatts (MW) statewide by 2025 and 3,000 MW by 2030) and oversee establishment and implementation of plans for meeting LIPA's resulting 2025 goal (approx. 200 MW by 2025).
- Oversee PSEG Long Island's completion of the mandated Northport repowering study by April 1, 2020.
- Oversee development of PSEG Long Island's plan to implement recommendations from the 2019 third-party evaluation of best practices in asset management.

CARRYOVER ACTIVITIES:

- Oversee Nitrogen Oxide (NOx) pollution compliance plan filing to meet DEC requirement for legacy peaking generating units owned by National Grid.
- Oversee completion of the offshore wind (OSW) transmission study in order to, (i) understand OSW interconnection costs by landfall location, (ii) understand optimum mix of OSW landfall on Long Island versus New York City (iii) advocate for an OSW Public Policy Transmission Need and (iv) inform plans for generation sites under the Power Supply Agreement.
- Represent LIPA customer interests in the Public Service Commission's Resource Adequacy Proceeding, including advocating for appropriate allocation of costs for clean, dispatchable resources needed for the integration of renewables.

The background of the slide features a blue-toned financial theme. On the left, there is a line chart with a jagged upward trend. In the center, a large white number '1194.38' is displayed, with 'Vol: 635.25 M' written below it. To the right, there is a vertical stack of coins. Further right, a list of numbers is visible: 12.00, 0.011, -14.00, -26.00, 56.45, 43.38, 21.55, and 6.57. The overall aesthetic is professional and data-oriented.

Finance and Financial Oversight

PROJECTS:

- Research experiences in other service territories with “all electric homes” and consider applicability in LIPA’s service territory.
- Develop a Federal Emergency Management Agency (FEMA) process for close-out of the 428 grant that streamlines consultant review of documentation and most efficiently provides for the collection of the remaining funds under the letter of understanding.
- Conduct a periodic review of LIPA’s Debt and Access to the Credit Markets Policy to ensure LIPA is meeting its stated fiscal goals.
- Implement a comprehensive review of treasury operations to facilitate a new Enterprise Resource Planning (ERP) system process.
- Update the post-debt-issuance record retention policy associated with Authority bond issuances.
- Oversee implementation of the 2020 portion of the rate modernization roadmap.
- Review PSEG Long Island staffing and overtime plans (resource loading plans) for planned and unplanned workload.
- Review the long-term impact of electrification on the sales forecast.
- Oversee PSEG Long Island’s development of new on-bill financing programs and a new FlexPay (prepay) pilot.

CARRYOVER ACTIVITIES:

- Execute a prepay transaction to reduce commodity costs.
- Evaluate revenue optimization opportunities for LIPA’s telecommunication assets.
- Implement a new long-term financial model for budgeting and planning.



Communications and External Affairs

PROJECTS:

- Review LIPA's mission, vision, and values to incorporate themes identified in the 2019 strategic planning process along with customer and employee feedback.

CARRYOVER ACTIVITIES:

- Create LIPA issue-specific fact sheets to provide concise information and data on major policy issues to educate our customer base.



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Policy and Strategy

PROJECTS:

- Benchmark status of strategic planning process against peers or established maturity model to identify strengths and weaknesses and implement changes as appropriate.
- Incorporate results from enterprise risk management activities into processes for prioritizing operational and oversight activities to maximize efficient use of limited LIPA and PSEG Long Island resources.
- Create a communications plan to engage employees in the importance of the 2020 projects, strategic planning initiatives, Board Policies, and related governance matters.
- Create a multi-year oversight roadmap across LIPA and implement strategies in 2020 that advance that roadmap.



Human Resources

PROJECTS:

- Enhance LIPA's interview process by focusing on competencies that have been identified as key to success for the position.
- Revise the 360-degree review process to provide useful assessments in a shorter, simpler format.
- Create an 18-month human resources roadmap outlining all inflight and contemplated human resource programs.

CARRYOVER ACTIVITIES:

- Complete a new process for succession planning to implement industry best practices.

Information Technology

PROJECTS:

- Create a roadmap to enhance LIPA's cybersecurity maturity score based on a third-party assessment.
- Create a multi-year LIPA data analytics roadmap and set up data analytics as a service within IT to help departments implement data analytics projects.
- Create a multi-year roadmap for IT investments.

CARRYOVER ACTIVITIES:

- Implement Phase I of LIPA's Enterprise Resource Planning (ERP).
- Develop an information technology asset management program for LIPA systems, including updated policies and procedures for inventory management throughout the asset life-cycle.





Legal

PROJECTS:

- Procure and customize a new document management system.
- Inventory written policies and procedures for all material functions across the organization and set up a periodic review process.
- Coordinate preparation for the 2021 rate filing.

Internal Audit

PROJECTS:

- Coordinate with PSEG Long Island to develop Purchase Card (P-Card) exception reporting to analyze 100 percent of the P-Card transactions monthly.