

1. Does LIPA have a current governance consulting advisor? If so, is this the same firm that developed the current LIPA Policy Governance model? Is the current governance consulting advisor invited to participate in this bid?

Answer: LIPA management and its Board of Trustees developed the current Policy Governance model being used, based on the work of John Carver (author of *Boards that Make a Difference*) whose model is utilized by other large public power companies.

2. Why has the Board commissioned this scope of work now? What are the most pressing concerns LIPA hopes to address with this work?

Answer: As stated above, over the past five years, the LIPA Board and management have developed the current version of the policy governance model based on John Carver's book and review of models utilized by other large public power companies. We are seeking a consultant to give us an outsider's perspective, provide recommendations for improvement or refinement, and generally help us take it to the next level.

3. How does the Board currently measure the effectiveness of the Board and its members in fulfilling their stewardship responsibilities (e.g. annual self-assessment, third party evaluation, etc.)?

Answer: The Board conducts an annual self-evaluation and for the past two years that process has been facilitated by the National Association of Corporate Directors.

4. Each of the LIPA policies indicates that the CEO (or a designee) "will report annually to the Board on the key provisions of this policy." Is there a fixed schedule as to which policies will be reported on at which meeting?

Answer: Yes and it can be found on LIPA's website here [Proposed 2020 Board Agenda](#). Modifications are made during the course of the year to accommodate changing schedules and priorities.

5. Which specific policies and protocols are on the LIPA's top 2 list for revision/update? Why?

Answer: We do not currently have such a list. We would expect this consultant to help with such prioritization.

6. How is the strategic planning process conducted (e.g. open meeting, closed educational session, etc.)?

Answer: Both. The Board has deliberative sessions regarding strategic issues (specifically, adoption of the Board Policies) in open sessions and staff also hosts educational workshops to inform the Trustees on key operational topics included in existing Policies or for future consideration for new Policies. All Board deliberations are conducted in open meetings in compliance with New York State's Open Meetings Laws.

7. To what extent does the scope of work include assessment of Board dynamics, including policies on trustee competency and appointment?

Answer: The Board Policy on Governance and Agenda Setting speaks to preferred attributes for trustees so review of that policy would include a review of trustee competencies. Appointment of Trustees is not the role the LIPA Board or LIPA management.

8. Does the Board consider itself more like a public authority or private utility oversight body? Why?

Answer: This question would be more appropriate for the Board, than management.

9. Please clarify if there is a M/WBE participation goal for this project. Page 14 of the RFP states: “For purposes of this solicitation, LIPA hereby establishes an overall subcontracting goal of 30%; 15% for Minority-Owned Business Enterprises (“MBE”) participation and 15% for Women- Owned Business Enterprises (“WBE”) participation. While there are no Minority and Women Owned Business Enterprise (“M/WBE”) participation goals in this RFP, Respondents are encouraged to use M/WBEs in connection with their proposed project.”

Answer: The sentence “While there are no Minority and Women Owned Business Enterprise (“M/WBE”) participation goals in this RFP...”. was a typo and should not have been included.

10. If there is no M/WBE goal for this project, does the proposer need to submit the following forms:

- 6 – MWBE 100 – EEO Policy Statement
- 7 – MWBE 101 – Staffing Plan
- 9 – MWBE 103 – MWBE Utilization Plan
- 10 – MWBE 104 – Waiver Request

Answer: All forms are requested and there is a 30% MWBE goal.

12- Is there any particular reason why this scope of services is being requested at this time? What does success look like? What is LIPA hoping to accomplish?

Answer: Continuous improvement.

13. Does the scope of services include any oversight of any part of the contracts that LIPA has with PSEG, PSEG Long Island, or National Grid?

Answer: No.

14. As part of this contract what type of interaction is expected from a consultant with PSEG, PSEG Long Island, and National Grid, Lockheed Martin entities, if any?

Answer: Possible interviews with PSEG Long Island management to solicit feedback from them on their experience with LIPA’s governance model.

15. In item V - Second bullet point - perform a review of LIPA's governance-related documents, including the Board Policies, LIPA's mission and vision, bylaws, code of conduct, committee charters and internal control documentation or other guidelines and practices to enhance the effectiveness of the model; regarding the model:
- Is the model considered effective now?
 - If not, why not and how?

Answer: Currently considered effective but we are always focused on continuous improvement.

16. In item V - Third bullet – contemplates “periodic (generally annual) reports on Board policies”

- “Since 2015, the LIPA Board of Trustees (the “Board”) has adopted approximately 30 policies related to key areas of its business (“Board Policies”), categorized as Mission, Operating, Governance or Compliance policies. More information can be found on the Board Policies.” Of the 30 board policies, are there any particular areas that are of primary focus?

Answer: The compliance policies are largely driven/required by applicable law. The focus for a governance consultant would be the mission, operating, and governance policies.

- Does this include all the items listed under “Board Governance Policies” in the Table of Contents (Bylaws, Committee Charters, Code of Ethics & Conduct, etc.)?

Answer: Yes

- Does it also include those under “Board Operating Policies” (Diversity and Inclusion, Enterprise Risk Management, etc.)?

Answer: Yes

17. In item V - Fifth bullet – “assist management with its respective responsibilities in strategic planning, so as to meet the expectations of the Board's Policies;”

- Please elaborate on the potential scope of services related to strategic planning.
- What is the current strategic planning model/approach?

Answer: The focus of this RFP is specific to governance, not strategic planning. For general information, please see LIPA's website for the Board Policy on Strategic Planning and Oversight approved by the Board on July 22, 2020 for a description of LIPA's strategic planning process.

18. Over the five -year contract, what does LIPA want to accomplish Year 1, and what does LIPA want to establish for the next subsequent years?

Answer: This is an exercise in continuous improvement. LIPA is seeking a consultant that can review the current governance model and practices, make recommendations for improvements, and suggest a schedule that prioritizes those improvements.

19. Board of Directors

- a. The Governance, Planning and Personnel Committee Charter states that the Committee shall “[r]eview and report to the Board at least annually on the effectiveness of the Board, the Board’s governance structure and the Board’s policies, and make such recommendations to the Board as will improve the effectiveness of the Board”.

How has this process been conducted?

Answer: Annually, that Committee completes a self-assessment that includes this review. See attached.

Have there been any particular areas of concentration?

Answer: General focus on all aspects of good governance

Has it addressed Board composition/succession planning?

Answer: The LIPA Board is appointed by the Governor (5), Senate (2) and Assembly (2). LIPA management advises appointing authorities when Board seats are vacant or in hold-over status but has no power to fill seats.

- c. Board Policies include policy on Diversity and Inclusion, does this policy apply to the Board?

Answer: The Board Policies are the method by which the Board of Trustees establishes their expectations for management. The LIPA Board values and encourages diversity and inclusion and it is up to the appointing authorities to translate those values into actions.

20. Mission Statement: Sustainability is limited to environmental matters; has the Board considered expanding this to include other components of ESG?

Answer: We are not sure what this question means. LIPA’s mission states: “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.” No mention of sustainability.

21. What is your process to monitor or implement governance policies and practices recommended by New York State Comptroller’s Office?

Answer: LIPA’s Deputy General Counsel, in his role as compliance counsel, and LIPA’s Secretary to the Board, would coordinate with the CEO to ensure compliance with any such recommendations.

LONG ISLAND POWER AUTHORITY
GOVERNANCE, PLANNING AND PERSONNEL COMMITTEE – 2019 REPORT

The Governance, Planning and Personnel Committee (the “Committee”) has prepared this report related to its obligations pursuant to the Committee’s Charter. Among its responsibilities, the Committee must report to the Board on at least an annual basis on the actions and recommendations it has undertaken to discharge its duties and meet its responsibilities pursuant to its Charter.

The Committee is charged with specific responsibilities including:

- Develop and recommend to the Board policies for the sound governance of the Authority including but not limited to the Authority’s Mission, the purpose and role of the Board, the Board’s relationship with the CEO of the Authority and other Board-appointed officers, Codes of Ethics and Conduct, performance standards for the Board and employees of the Authority, and other such policies as it deems necessary or appropriate to address transparency, independence, accountability, fiduciary responsibilities, and management oversight (which responsibility may be delegated by this Committee to other board committees that have greater first-hand knowledge or experience with the issue, at its discretion).
- Develop and recommend to the Board the number and structure of committees to be created by the Board, including this Committee.
- Develop and provide recommendations to the Board evaluation of the performance of the Board, its committees and senior management in the Authority’s governance process, including coordination and oversight of such performance evaluations.
- Examine potential ethical and conflict of interest issues and situations.
- Develop, review on a regular basis, and update as necessary the Authority’s Mission Statement, Policies and Work Plan (collectively, the “Strategic Plan”) to ensure that the Authority is establishing and following the appropriate and necessary direction for itself, the CEO and all of LIPA’s service providers for the immediate and long-term benefit of the customer-owners and residents of Long Island.
- Develop, review on a regular basis, and update as necessary the Authority’s Code of Ethics and Conduct, which shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board any required revisions to the Authority’s written policies regarding the protection of whistleblowers from retaliation, as included in the Code.
- Develop and recommend to the Board any required updates on the Authority’s written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority’s

procurement process.

- Develop and recommend to the Board any required updates on the Authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board all updates on the Authority's other written policies that are required by statute or by resolution of the Board which have not been delegated to other Board committees or retained to itself by the Board.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting the business of the Board, such as the Authority's by-laws. The Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.
- Develop a description of the competencies and personal attributes required of Trustees to assist those authorized to appoint members to the Board in identifying qualified individuals.
- Develop and provide recommendations to the Board regarding Trustee education, including new Trustee orientation and regularly scheduled Trustee training.
- Review and report to the Board on the requirement under the LIPA Reform Act to keep the Authority's staffing at only those levels necessary to ensure that the Authority is able to meet its obligations with respect to its bonds and notes and all applicable statutes and contracts and oversee the activities of its service provider.
- Monitor and make recommendations to the Board with respect to the Authority's staffing and employment policies, practices, and programs, including those that seek to attract and retain a qualified workforce, support the continued professional development of the Authority's staff, and ensure employment practices that meet or exceed relevant laws and regulations.
- Recommend for approval by the Trustees the appointment and compensation of the Chief Executive Officer and annually evaluate and make recommendations to the Board regarding the performance of the Chief Executive Officer relative to the mission, values, governance, and operating principles approved by the Board.
- Annually review and, if appropriate, recommend to the Trustees changes in the compensation of the Chief Executive Officer taking into account such factors as:
 - (i) the compensation and benefits of those at utilities of similar size and complexity;
 - (ii) an appropriate balance of compensation practices among public and private organizations;
 - (iii) industry and regional cost-of-living trends; and
 - (iv) individual performance and contribution.
- Recommend for approval, in consultation with the Chief Executive Officer, the

appointment of the Chief Financial Officer and General Counsel.

- In consultation with the Chief Executive Officer, advise the Board with respect to emergency succession planning for the position of the Chief Executive Officer.
- Review and report to the Board at least annually on the effectiveness of the Board, the Board's governance structure and the Board's policies, and make such recommendations to the Board as will improve the effectiveness of the Board, the utilization of the Authority's assets and the Board's oversight of the Authority's operations. The Committee will similarly assess its own activities and effectiveness as a Committee and report that to the Board annually, including a report on any proposed changes to the charter or the staffing and employment policies of the Board.
- Carry out such other activities consistent with its purpose as may be requested from time to time by the Chair of the Board or the Board of Trustees.

Membership

The Committee's Charter requires that a minimum of three Trustees serve as members of the Committee. As appointed by the Chair of the Board, the following three Trustees served on the Committee as of December 31, 2019:

Elkan Abramowitz, Chair
Sheldon L. Cohen
Drew Biondo

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, 2019, the Committee met four times.

Committee Activities

During 2019, the Committee satisfied each of the obligations contained in their respective charters including the following key activities:

- Committee's Annual Self Report to the Board;
- Discussion of CEO Performance
- Recommendation to Approve the Annual Report and Amendments to the Board's Policy on Staffing and Employment; and
- Discussion of the Authority's Succession Planning Efforts.

Conclusion

The Committee will continue to keep the Board informed of best governance practices, update the Authority's corporate governance principles, and ensure that the Board's policies provide strategic direction for the Authority and that the Board is being effective in the utilization of the Authority's assets and oversight of activities. The Committee remains available to provide assistance and guidance regarding its other charter obligations and any additional responsibilities requested by the Trustees or the Chair of the Board.