Isaias Task Force Status Update

December 16, 2020

KEY INVESTIGATION FINDINGS

PSEG Long Island's failed Isaias storm response was <u>avoidable</u>

- ➢ Inadequate preparedness, inadequate planning, inadequate system testing led to failures of telephone and outage management system
- ➢ Lack of solid contingency plans for critical IT systems

The root cause was not technical but <u>management failures</u>

- ➢ Failed leadership from a NJ-based IT management that has little accountability to Long Island operations
- ➢ Balanced scorecard metrics focused management attention on too few objectives
- ➢ PSEG lacks proactive risk management

KEY INVESTIGATION FINDINGS

Telephone systems lacked capacity and were not tested

➢ Over a million customer calls went unanswered

Outage Management System was failing <u>before</u> Isaias hit

➢ PSEG Long Island upgraded OMS without sufficient testing
➢ Management was slow to respond to known problems before storm

PSEG failed to disclose to LIPA that OMS was failing

➢ Before Isaias, PSEG knew OMS was not ready for a major storm but did not inform LIPA
➢ Even after storm, PSEG was not forthcoming about OMS issues

REPORT RECOMMENDATIONS

➢ 30-Day Report (09/23/2020)

- Number of Recommendations : **39**

- Expected Completion date: 10/15/2020

➢ 90-Day Report (11/18/2020)

- Number of Recommendations: **47**

Technical ❙ Leadership and Management
Emergency Response Planning and Preparation ❙ Storm Resiliency

REQUESTED ACTION FROM PSEG LONG ISLAND

➢ 11/20/2020 Action Request to PSEG Long Island

- Provide Deliverables for 30-Day Recommendations

- Submit Project Implementation Plans (PIPs) for 90-Day Recommendations (Tier 1) by 12/7/2020

- Comments provided to PSEG Long Island 12/9/2020 and revised Plans re-submitted to LIPA 12/11/2020

➢ Information Requested in PIPs:

- Success Criteria

- Deliverables

- Work Plan

- Risk Management Plan

- Issue Resolution Plan

- LIPA Reporting Plan

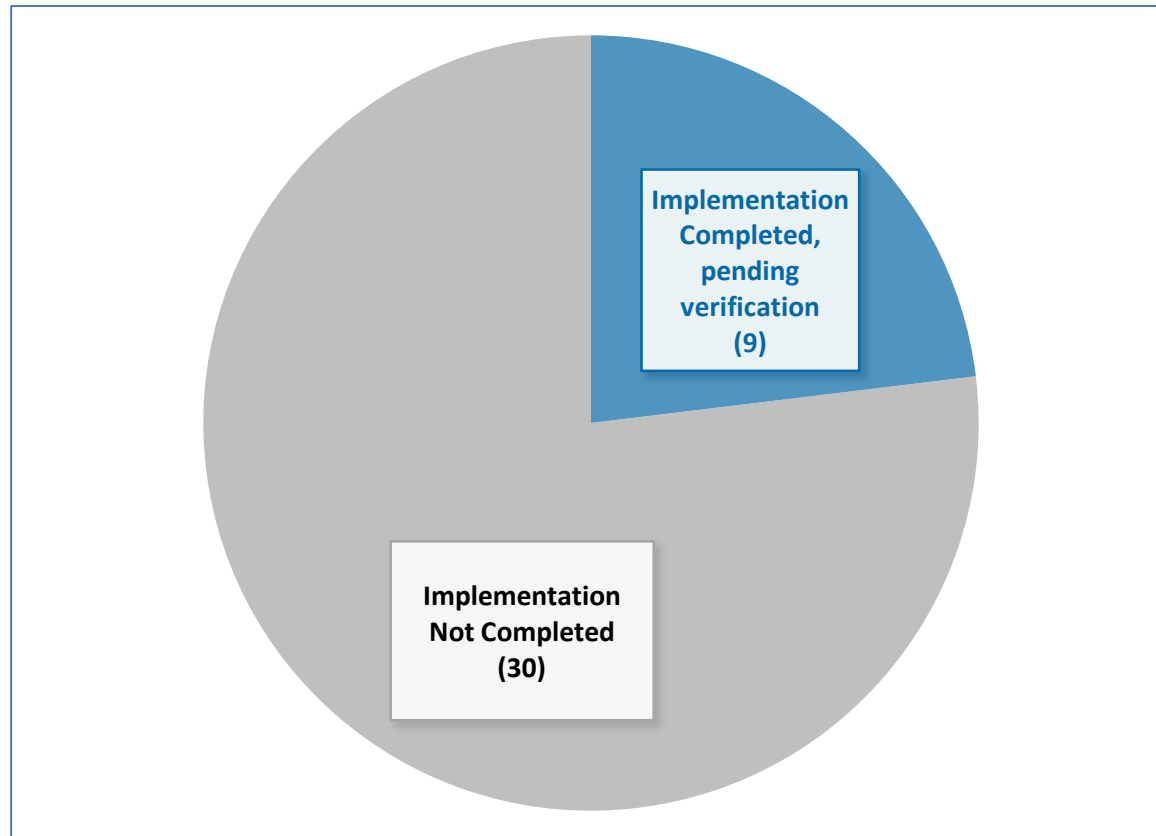- Technical Execution Plan

REQUESTED PIP-STATUS

STATUS OF TIER 1 RECOMMENDATIONS
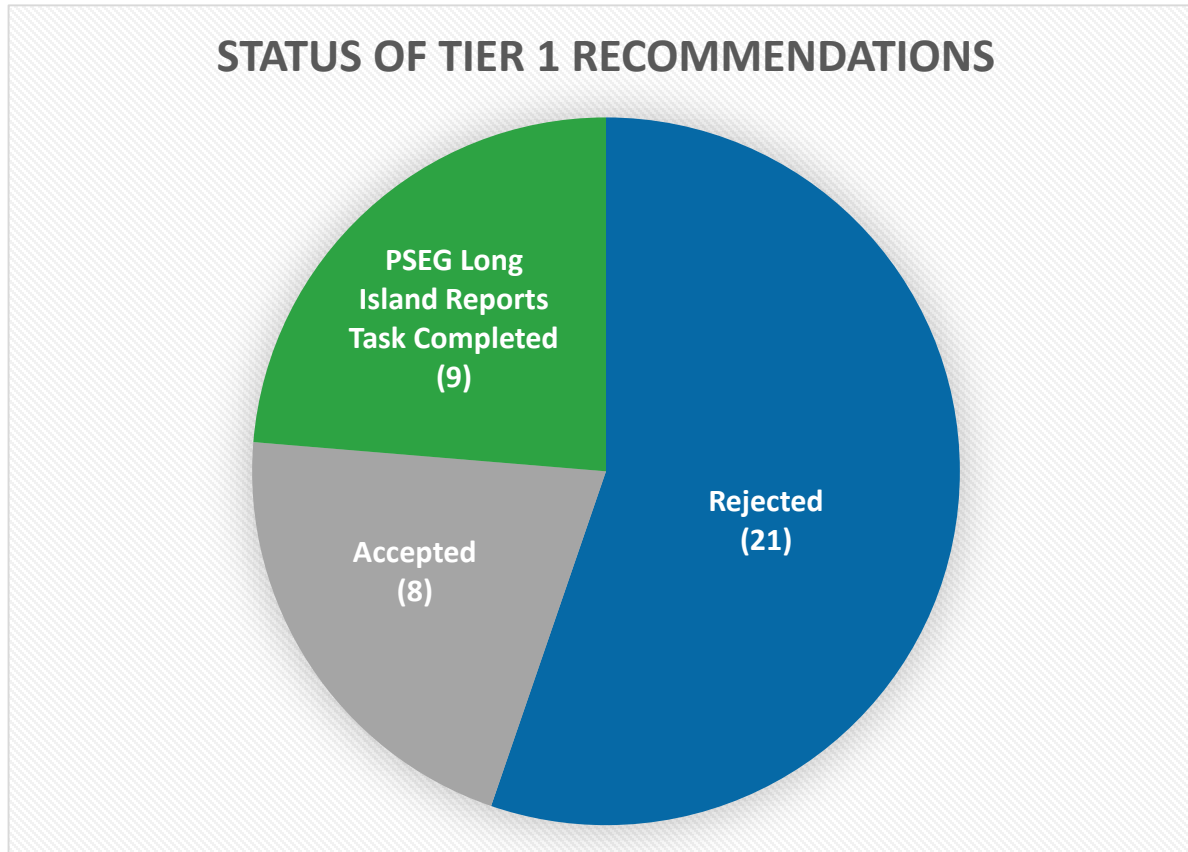
KEY ISSUES WITH REJECTED PIPS

- ➢ Project completion timeline is too long

- ➢ Inadequate technical approach or insufficient articulation of the technical approach

- ➢ Project objectives described in project plan inconsistent with Board recommendation

- ➢ Check the box approach to project plan development

- ➢ Project team insufficiently resourced

30-DAY RECOMMENDATION STATUS

30-DAY RECOMMENDATIONS THAT WERE DUE 10/15/2020

Implementation Completed, pending verification (9)

Implementation Not Completed (30)

Long Island Power Authority

120+ Days After Isaias Many System Defects Remain Uncorrected

Telephone lines for storm reporting still need to be fully tested

- System has recently been unstable – customers encountering busy signals on various occasions
- PSEG Long Island has just recently ported the storm line to Verizon Business and undertook late night system tests – which encountered approximately 3.5% error rate
- To date, PSEG Long Island has not completed the following tests requested by LIPA:
  - End-to-end stress testing for call reporting wire-down or other emergencies
  - End-to-end stress test for trouble call from customer to OMS system
  - Stress tests that simulate calls originating from LIPA territory

120+ Days After Isaias Many System Defects Remain Uncorrected

OMS is still failing when stress-tested under the "Isaias" scenario

- PSEG Long Island moved to an older version (v 5.5) of the OMS system after the storm. In the meantime, it has been testing a newer version (v 6.7). Both systems are failing when subjected to Isaias-level stress testing
- PSEG Long Island is now planning to pursue a "re-platform" strategy – which is likely to slow down current efforts to finding root causes of the OMS failures; LIPA has not been provided a compelling rationale for this strategy
- Lack of strong internal capability have resulted in several false starts and over-reliance on vendor solutions
- Continued deficiencies in project management, vendor management, and problem resolution skills impeding progress
- Need a stronger sense of urgency in addressing these issues

Questions?