

LONG ISLAND POWER AUTHORITY
MINUTES OF SPECIAL BOARD OF TRUSTEES MEETING
HELD ON DECEMBER 16, 2020

The Long Island Power Authority (“LIPA”) was convened at 8:15 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on December 11, 2020, and electronic notice posted on the LIPA’s website.

In compliance with Governor Andrew M. Cuomo’s Executive Order No. 202.1 on COVID-19 safety, the following guidelines were publicly posted and followed:

The Long Island Power Authority is taking steps to minimize the risk of exposure for the public and our employees. As such, LIPA will not be permitting in-person access to its December 16, 2020 Special Board meeting. Members of the public are encouraged to observe the live stream of the Board meeting posted at the LIPA website. The meeting will also be recorded and posted to LIPA’s website for later viewing

The following LIPA Trustees were present:

Ralph Suozzi, Chairman (via video conferencing)
Mark Fischl, Acting Chair (in person)
Elkan Abramowitz (via video conferencing)
Drew Biondo (via video conferencing)
Sheldon Cohen (via video conferencing)
Matthew Cordaro (in person)
Peter Gollon (via video conferencing)
Laureen Harris (via video conferencing)
Ali Mohammed (via video conferencing)

Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, Chief Administrative Officer & Board Secretary; and Jen Hayen, Director of Communications. Participating via video conferencing were Anna Chacko, General Counsel; Mujib Lodhi, Chief Information Officer; Tamela Monroe, Chief Financial Officer;

Kenneth Kane, Senior Advisor to Operations Oversight; Rick Shansky, Senior Vice President of Operations Oversight; Justin Bell, Vice President of Public Policy and Regulatory Affairs; Michael Deering, Vice President of External Affairs; Kathleen Mitterway, Vice President of Audit; Donna Mongiardo, Vice President – Controller; Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board; Thomas Locascio, Director of External Affairs; Corey Horowitz, Director of Risk Management; Jessica Dehnert, Senior Manager of Enterprise Risk Management; Richard Muzikar, Enterprise Risk Management Advisor; and Osman Ahmad, IT-Consultant.

Representing PSEG Long Island via video conferencing were Daniel Eichhorn, President and Chief Operating Officer; Andrea Elder-Howell, Vice President of Legal Services; Peggy Keane, Vice President of Construction and Operations; Paul Napoli, Vice President of Power Markets; John O’Connell, Vice President of Power Supply and Transmission and Distribution; and Rick Walden, Vice President of Customer Service.

Representing New York State Department of Public Service was Rory I. Lancman, Special Counsel for Ratepayer Protection.

Acting Chair Fischl welcomed everyone to the Special Meeting of the Long Island Power Authority Board of Trustees.

Acting Chair Fischl stated that the first item on the agenda was the PSEG Long Island Isaias Presentation to be presented by Daniel Eichhorn.

Mr. Eichhorn presented the PSEG Long Island Isaias Presentation and took questions from the Trustees.

Acting Chair Fischl stated that the next item on the agenda was the Briefing from the LIPA Isaias Task Force on the Tier 1 Recommendations to be presented by Thomas Falcone and Mujib Lodhi.

Mr. Falcone and Mr. Lodhi presented the Briefing from the LIPA Isaias Task Force on the Tier 1 Recommendations and took questions from the Trustees.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of Adoption of PSEG Long Island Implementation Plans for the Isaias Task Force Tier 1 Recommendations with the following action item.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution adopting certain PSEG Long Island Implementation Plans for the Isaias Task Force (the “Task Force”) Tier 1 Recommendations, which resolution is attached hereto as Exhibit “A”.

Background

On Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour. The resulting damage to the electrical system caused approximately 646,000 customer outages.

On August 5, LIPA’s Chief Executive Officer initiated an independent review of the circumstances and root causes that led to well-documented lapses in PSEG Long Island’s storm response. The Task Force was charged with providing actionable recommendations and overseeing PSEG Long Island’s remediation activities. LIPA committed to reporting the Task Force’s findings and recommendations to the LIPA Board of Trustees and the public in a 30-Day Preliminary Report, 90-Day Interim Report, and 180-Day Final Report.

The Task Force presented the 30-Day Report to LIPA’s Board of Trustees at the September 23, 2020 Board Meeting and released it to the public. Because of the urgency of the immediate threat of another major storm, the 30-Day Report focused on the failures of PSEG Long Island’s information technology and communication systems and their proximate causes.

On November 13, DPS provided a recommendation (the “DPS Recommendation”) to the LIPA Board as a result of its ongoing investigation of PSEG Long Island’s storm response.

DPS Staff identified more than 70 potential violations of PSEG Long Island's ERP. The DPS recommended, among other things, that LIPA:

- **evaluate options to terminate PSEG Long Island as LIPA's Service Provider;**
- **declare PSEG Long Island's poor performance during Isaias as a first failure of the Major**
- **Storm Performance Metric as defined in the OSA; and**
- **seek to either terminate or renegotiate the OSA to enable greater oversight by LIPA and DPS.**

The Task Force presented the 90-Day Report to the Board at the November 18, 2020 Board Meeting. The 90-Day Report expanded on the findings of the 30-Day Report and addresses broader questions on the effectiveness of PSEG Long Island's management of utility operations.

As set forth in Appendix 2 and Appendix 3 of the 90-Day Report, the Task Force provided nearly 100 recommendations for the Board's consideration (the "Task Force Recommendations"). The Task Force Recommendations were designed to, among other things, (i) Change Management Incentives and Accountabilities; (ii) Reform Information Technology and Emergency Management; and (iii) Strengthen LIPA's Oversight. The Task Force Recommendations are tiered based upon priority. The tiered system allows LIPA and PSEG Long Island to either implement or present implementation plans for the most critical recommendations on an accelerated basis.

By Resolution No. 1568, dated November 18, 2020, the Board directed the Task Force, together with PSEG Long Island, to implement the Task Force Recommendations, including the creation of Implementation Plans to be completed within the tiered structure as set forth in Appendix 2 and Appendix 3 of the 90-Day Report; and to report to the Board at least quarterly until such Task Force Recommendations are fully implemented

Discussion of Implementation Plans

On December 7, 2020, PSEG Long Island submitted Implementation Plans for the Tier 1 Recommendations to the Task Force for review. The Task Force provided comments on each Implementation Plan on December 9, 2020 and asked for revised Plans to be submitted on December 11. The Task Force recommends certain of the revised Tier 1 Plans submitted on December 11 be resubmitted for the Board's review at the January 2021 meeting with Task Force comments addressed, as shown in Exhibit "B". The Task Force recommends the Board adopt the remaining Implementation Plans as attached hereto as Exhibit "C".

The Implementation Plans for those recommendations designated as Tier 2 shall also be completed for the Board's January 2021 meeting. The Implementation Plan for those recommendations designated as Tier 3 shall be completed simultaneous with the Task Force's completion of the 180- Day Report in February 2021. Thereafter, the Task Force shall submit a Status Report to the Board no less than quarterly that summarizes the status of the Implementation Plans for each Task Force Recommendation.

Status of DPS Recommendation

At the November 18, 2020 meeting, the Board directed LIPA's Chief Executive Officer to report on actions taken in response to the DPS Recommendation. The staff has taken the following actions:

- Served PSEG Long Island a notice of default on material contractual obligations;
- Evaluated options that would follow a decision to terminate PSEG Long Island as LIPA's Service Provider, which evaluation has separately been submitted to the Board;
- Commenced litigation to compel specific performance to deploy a fully functional Outage Management System, telephone system, and Business Continuity Plans;
- Declared PSEG Long Island's poor performance below the Minimum Performance Level of the Major Storm Performance Metric (the Board made such finding at the November 18 meeting);
- Initiated an audit to identify and evaluate costs incurred by PSEG Long Island and LIPA for systems that did not function properly, did not benefit customers, or impeded restoration efforts; and
- Referred the results of the Task Force investigation to the New Jersey Board of Public Utilities.

Recommendation

The issues identified by the Task Force's investigation, as well as the DPS' separate investigation, remain urgent. 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 submit comments, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1570. RESOLUTION ADOPTING CERTAIN PSEG LONG ISLAND IMPLEMENTATION PLANS FOR ISAIAS TASK FORCE TIER 1 RECOMMENDATIONS

WHEREAS, on Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour, resulting in damage to the electrical system and causing approximately 646,000 customer outages; and

WHEREAS, pursuant to Section 1020-f(y) of the Public Authorities Law, General Powers of the Authority, LIPA, in part, may "make any inquiry, investigation, survey or study which the authority may deem necessary to enable it effectively to carry out the provisions of this title. . ."; and

WHEREAS, pursuant to Section 4.4(16), Rights and Responsibilities of LIPA, of the Amended and Restated Operations Services Agreement (“OSA”), LIPA, in part, has the right to “make recommendations to the Service Provider, in each case as may be reasonably necessary or appropriate to perform LIPA’s oversight responsibilities and obligations with respect to the provision of Operations Services under this Agreement and as may otherwise be necessary or appropriate to comply with LIPA’s legal, contractual and fiduciary obligations. . .”; and

WHEREAS, on August 5, LIPA’s Chief Executive Officer initiated an independent review of the circumstances and root causes that led to the lapses in PSEG Long Island’s Tropical Storm Isaias storm restoration; and

WHEREAS, LIPA’s Chief Executive Officer appointed an Isaias Task Force that was charged with both providing actionable recommendations and overseeing PSEG Long Island’s remediation activities; and

WHEREAS, LIPA committed to reporting the Isaias Task Force’s findings, observations, and recommendations to the LIPA Board of Trustees and public in a 30-Day Report, 90-Day Report, and 180-Day Final Report; and

WHEREAS, the Task Force presented the 30-Day Report to LIPA’s Board of Trustees at the September 23, 2020 Board Meeting and released it to the public; and

WHEREAS, on November 18, 2020, the Task Force presented the 90-Day Report, which provided recommendations to, among other things, (i) Change Management Incentives and Accountabilities; (ii) Reform Information Technology and Emergency Management; and (iii) Strengthen LIPA’s Oversight (together with the 30-Day Report recommendations, the “Task Force Recommendations”); and

WHEREAS, by Resolution No. 1568, dated November 18, 2020, the Board directed the Isaias Task Force, in coordination with PSEG Long Island, to submit an Implementation Plan to the Board of Trustees for each Task Force Recommendation; and

WHEREAS, the Task Force has submitted to the Board eight Implementation Plans recommended for the Board’s approval; and

WHEREAS, the Task Force Recommendations include that if LIPA and PSEG Long Island renegotiate and cannot reach an agreement on acceptable reforms, or should there be a lack of progress to implement the Isaias Task Force Recommendations, the Board of Trustees consider the exercise of its rights to terminate the OSA with PSEG Long Island before 2025 due to the urgent issues identified by the Task Force’s investigation.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby adopts Implementation Plans for the Task Force Tier 1 Recommendations attached hereto as Exhibit C; and

BE IT FURTHER RESOLVED, the Board hereby directs PSEG Long Island to amend the remaining Tier 1 Implementation Plans and resubmit such plans to the Task Force for review at the Board’s January 2021 meeting.

Acting Chair Fischl stated that the next item on the agenda was the Briefing by Rory I. Lancman, Special Counsel for Ratepayer Protection, on Public Forums Concerning Harm to Ratepayers as a Result of Tropical Storm Isaias.

Mr. Lancman presented the Briefing on Public Forums Concerning Harm to Ratepayers as a Result of Tropical Storm Isaias and took questions from the Trustees.

Acting Chair Fischl stated that the next item on the agenda was the Briefing on Isaias Task Force Phase 1 Options Analysis to be presented by Thomas Falcone.

Mr. Falcone presented the Briefing on Isaias Task Force Phase 1 Options Analysis and took questions from the Trustees.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of Adoption of Isaias Task Force Phase 1 Options Analysis with the following action item.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution adopting the Isaias Task Force (the “Task Force”) Phase I Options Analysis (the “Phase I Analysis”), which resolution is attached hereto as Exhibit “A”.

Background

On Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour. The resulting damage to the electrical system caused approximately 646,000 customer outages.

On August 5, LIPA’s Chief Executive Officer (“CEO”) initiated an independent review of the circumstances and root causes that led to the lapses in PSEG Long Island’s storm response. LIPA’s CEO established a Task Force that was charged with providing actionable recommendations and overseeing PSEG Long Island’s remediation activities. LIPA committed to reporting the Task Force’s findings and recommendations to the LIPA Board of Trustees and the public in a 30-Day Preliminary Report, 90-Day Interim Report, and 180-Day Final Report.

The Task Force presented the 30-Day Report to LIPA’s Board of Trustees at the September 23, 2020 Board Meeting and released it to the public. Because of the urgency of the immediate threat of another major storm, the 30-Day Report focused on the failures of PSEG Long Island’s information technology and communication systems and their proximate causes and made recommendations for implementation by October 15, 2020.

On November 13, DPS provided a recommendation (the “DPS Recommendation”) to the LIPA Board as a result of its ongoing investigation of PSEG Long Island’s storm response. DPS Staff identified more than 70 potential violations of PSEG Long Island’s Emergency Restoration Plan.

The DPS recommended, among other things, that LIPA, evaluate options to terminate PSEG Long Island as LIPA’s Service Provider.

The Task Force presented the 90-Day Report to the Board at the November 18, 2020 Board Meeting. The 90-Day Report expanded on the findings of the 30-Day Report and addresses broader questions on the effectiveness of PSEG Long Island’s management of utility operations. As set forth in Appendix 2 and Appendix 3 of the 90-Day Report, the Task Force provided nearly 100 recommendations for the Board’s consideration (the “Task Force Recommendations”).

By Resolution No. 1568, dated November 18, 2020 (the “November Resolution”), the Board directed the Task Force, together with PSEG Long Island, to implement the Task Force Recommendations, including the creation of Implementation Plans. At today’s Special Meeting, by separate resolution, the Board has considered certain of the Implementation Plans.

The November Resolution also directed LIPA’s CEO to conduct contingency planning for the termination of the Amended and Restated Operations Services Agreement (“OSA”) and report to the Board on the results.

Discussion

Pursuant to the Board’s direction as set forth in the November Resolution, LIPA’s CEO and Staff developed the Phase I Analysis, which is set forth herein as Exhibit “B”. This Phase I Analysis is the first in a series of reports detailing options to improve the management of LIPA’s assets.

LIPA has conducted similar analyses on at least four prior occasions -- in 1998, 2005, 2011, and 2013. The Phase I Analysis studies three potential alternatives – Privatization, the Single-Partner Municipal Model (i.e. the current model), and Municipal Management.

As more fully set forth in the Phase I Analysis, the choice of private or public ownership is clear – public ownership saves customers considerable money due to lower financing costs, exemption from corporate taxes, and access to federal disaster recovery grants. Privatization would raise Long Island customer bills by approximately \$32 per month for a typical residential customer.

The Phase I Analysis describes reforms to the Single-Partner Municipal Model that would provide better alignment between the Service Provider and LIPA, ensure greater accountability and responsiveness to Long Island customers, and minimize principal-agent risks. These reforms could be accomplished by amending the OSA contract with PSEG Long Island or by seeking a new Service Provider.

Finally, the Phase I Analysis examines the cost of replicating the existing structure of ServCo (the service company operated by PSEG Long Island on LIPA’s behalf), instead managed by LIPA.

The Municipal Management model would result in savings of \$155 to \$215 million over the remaining 5-year term of the OSA contract and up to \$815 million if that contract is extended for an additional eight years, per its terms.

Recommendation

The issues identified by the Task Force’s investigation, as well as the DPS’ separate investigation, remain urgent.

The Phase I Analysis recommends that the Board forgo expending further limited staff time and funds developing the privatization alternative due to its higher cost. During the period that LIPA studies privatization, it is also unable to make the necessary representations about governmental ownership of facilities to borrow in the tax-exempt bond market on a long-term basis or to take advantage of currently low interest rates to refinance outstanding bonds for savings.

The Phase I Analysis recommends that LIPA Staff continue to develop the Single-Partner Municipal and Municipal Management alternatives in a Phase II Analysis to be presented to the Board no later than March 31, 2021. This Phase II Analysis would include the results of LIPA’s re-negotiation of its OSA contract with PSEG Long Island, if any.

The Phase I Analysis and the Board’s consideration of the accompanying Resolution is for planning purposes only.

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 submit comments¹, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1571. RESOLUTION ADOPTING THE ISAIAS TASK FORCE PHASE 1 OPTIONS ANALYSIS

WHEREAS, on Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour, resulting in damage to the electrical system and causing approximately 646,000 customer outages; and

WHEREAS, pursuant to Section 1020-f(y) of the Public Authorities Law, General Powers of the Authority, LIPA, in part, may “make any inquiry, investigation, survey or study which the authority may deem necessary to enable it effectively to carry out the provisions of this title. . .”; and

WHEREAS, pursuant to Section 4.4(16), Rights and Responsibilities of LIPA, of the Amended and Restated Operations Services Agreement (“OSA”), LIPA, in part, has the right to “make recommendations to the Service Provider, in each case as may be reasonably necessary or appropriate to perform LIPA’s oversight responsibilities and obligations with respect to the provision of Operations Services under this Agreement and as may otherwise be necessary or appropriate to comply with LIPA’s legal, contractual and fiduciary obligations. . .”; and

WHEREAS, on August 5, LIPA’s Chief Executive Officer initiated an independent review of the circumstances and root causes that led to the lapses in PSEG Long Island’s Tropical Storm Isaias storm restoration; and

WHEREAS, LIPA’s Chief Executive Officer appointed an Isaias Task Force that was charged with both providing actionable recommendations and overseeing PSEG Long Island’s remediation activities; and

WHEREAS, LIPA committed to reporting the Isaias Task Force’s findings, observations, and recommendations to the LIPA Board of Trustees and public in a 30-Day Report, 90-Day Report, and 180-Day Final Report; and

WHEREAS, the Task Force presented the 30-Day Report to LIPA’s Board of Trustees at the September 23, 2020 Board Meeting and released it to the public; and

WHEREAS, on November 18, 2020, the Task Force presented the 90-Day Report, which provided recommendations to, among other things, (i) Change Management Incentives and Accountabilities; (ii) Reform Information Technology and Emergency Management; and

¹ Board Secretary Bobbi O’Connor read several public comments which were submitted to the Trustees via the LIPA website. These comments are retained as public record and attached hereto.

(iii) Strengthen LIPA’s Oversight (together with the 30-Day Report recommendations, the “Task Force Recommendations”); and

WHEREAS, the Task Force Recommendations include that if LIPA and PSEG Long Island renegotiate and cannot reach an agreement on acceptable reforms, or should there be a lack of progress to implement the Isaias Task Force Recommendations, the Board of Trustees consider the exercise of its rights to terminate the OSA with PSEG Long Island before 2025 due to the urgent issues identified by the Task Force’s investigation; and

WHEREAS, by Resolution No. 1568, dated November 18, 2020, the Board directed the Isaias Task Force, in coordination with PSEG Long Island, to submit an Implementation Plan to the Board of Trustees for each Task Force Recommendation and to conduct contingency planning for the termination of the OSA and report to the Board on the results; and

WHEREAS, on December 18, LIPA’s Chief Executive Officer delivered to the Board the Phase I Options Analysis (the “Phase I Analysis”); and

WHEREAS, the Phase I Analysis, determined that public ownership of the electric utility reduces Long Island customer bills by approximately 20 percent; and

WHEREAS, the Phase I Analysis considers, the Single-Provider Municipal model (either under a re-negotiated OSA or with another provider); and the Municipal Management model under LIPA management, with selected services sourced to private sector partners; and

WHEREAS, contemporaneous with the adoption of this Resolution, by separate resolution, the Board has already adopted certain of the Implementation Plans; and

WHEREAS, the Phase I Analysis and the Board’s consideration of this Resolution is for planning purposes only.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby adopts the Phase I Analysis; and

BE IT FURTHER RESOLVED, the Board finds that privatization is too costly for Long Island and Rockaways electric customers to merit investing additional staff time and funds to further develop the alternative; and

BE IT FURTHER RESOLVED, the Board hereby directs LIPA’s CEO to further develop the Single-Provider Municipal model and Municipal Management model, as more specifically described in the Phase I Analysis, and report back to the Board in a Phase II Analysis Report no later than March 31, 2021.

Acting Chair Fischl stated that the next item on the agenda was the Approval of the Annual Report and Amendments to the Board Policy on Enterprise Risk Management and Adoption of Enterprise Risk Management Recommendations to be presented by Bobbi O'Connor.

After requesting a motion on the matter, which was seconded, Ms. O'Connor 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 attached hereto as Exhibit “A”: (i) finding that the Long Island Power Authority (“LIPA”) has complied with the Board Policy on Enterprise Risk Management (the “ERM Policy” or “Policy”); (ii) approving the annual report for the Policy; (iii) approving certain amendments to the Policy, as detailed herein; and (iv) adopting recommendations for the Enterprise Risk Management (“ERM”) program in light of the failures identified by the Isaias Task Force in the 30 and 90-day Reports.

Background - Board Policy on Enterprise Risk Management

By Resolution No. 1351, dated March 29, 2017, the Board adopted the ERM Policy, focusing on the identification, assessment, management, and mitigation of risks. The Policy was last reviewed and amended by the Board by Resolution No. 1492, dated September 25, 2019.

The Finance and Audit Committee (“F&A Committee”), in its Charter, was delegated the responsibility for reviewing LIPA’s practices relating to ERM. LIPA’s Service Provider, PSEG Long Island, also participates in the implementation of LIPA’s ERM Program.

Specifically, the Policy provides that “the Chief Executive Officer or his or her designee will report annually to the F&A Committee of the Board on the Policy, including: a review of the significant risks to LIPA’s mission; and compliance with the key provisions of the Policy.”

Compliance with the Policy

Performance for 2020 has been overshadowed by poor storm performance by our service provider.

This performance was compounded by the failure of telephone access to report outages and the failure of the outage management system used to identify and report on outages. These matters are more fully discussed in LIPA’s 30 and 90-Day reports on Tropical Storm Isaias.

Nevertheless, consistent with the Policy, LIPA and PSEG Long Island have maintained ERM programs designed to evaluate significant risks and corresponding mitigation activities facing the business. This Report covers ERM activities since the Board's September 2019 review to the present.

While PSEG Long Island's performance with respect to matters identified by the Isaias Task Force remains unacceptable, LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has substantially complied with the objectives of the Policy for the period since the last annual report.

The Policy states: "Under the direction of LIPA's Chief Executive Officer, LIPA and its Service Provider shall maintain an Enterprise Risk Management Program with the following key provisions":

"An Enterprise Risk Management Committee consisting of at least three LIPA staff appointed by the Chief Executive Officer, two of whom must be drawn from LIPA's senior management, to oversee the processes and procedures of the Program."

- LIPA has an active Executive Risk Management Committee ("ERMC") that reviews the implementation of the ERM Program and the findings of the Program, including discussions of the most significant risks facing LIPA and its Service Provider. Over the last twelve months, the ERMC has met seven times to discuss the progress of the Program and review the risk assessments, associated mitigation activities, and deep-dive analysis of the most significant risks. In addition, the ERMC was briefed on the completion of actions relating to the ERM Recommendations of the DPS Management Audit.
- Currently, there are ten members on the Committee, including the CEO, CFO, CAO, CIO, General Counsel, and other LIPA staff at the Vice President and Director levels.
- The ERMC maintains an ERM procedures manual which was recently updated by ERM staff to reflect certain enhancements including: integration of risk information into decision making within Strategic Planning, Internal Audit and other areas of the business. The ERM procedures also now call for maintaining a list of emerging risks and recognize PSEG Long Island's Risk Management Committee governance responsible for reviewing their identified risks.

"An evaluation of the most significant risks facing the LIPA and its Service Provider, and corresponding mitigation activities, reported to senior management of LIPA and its Service Provider for review and evaluation on an annual basis, with ongoing monitoring activity between reviews"

- Since the last Board report, the ERM team has worked with the Subject-Matter Experts ("SMEs") for the most significant risks of LIPA and PSEG Long Island to further analyze these risks through a deep-dive review process to understand the specific causes and consequences of each risk and the mitigation actions planned or

deployed. Deep-dive risk reports were presented to LIPA's ERM Committee while other significant risks were presented to both LIPA and PSEG Long Island senior management at their Management Review Board meetings. LIPA risk analyses included Reputation, Cyber Event and Workforce Challenges, and PSEG Long Island risks focused on the Primary Transmission Control Center, LIRR Access, and a Major Storm Event.

- Annually, the F&A Committee receives an ERM Program Update highlighting the significant risks facing LIPA and PSEG Long Island and mitigation strategies concurrent with this annual report. In October, the Board participated in an ERM Workshop that included an overview of the ERM process and a deep-dive analysis discussion of two significant risks, Reputation and Long Island Railroad Access. In addition, this year paragraphs have been included in Board Policy updates specifically related to the risks associated with those policies.

“A review of the LIPA's insurance and other forms of coverage against insurable risks, including the availability and economics of such coverage, performed each year.”; and

“Business continuity plans for LIPA and its Service Provider that are reviewed each year.”

Insurance:

- The Amended & Restated Operations Services Agreement (“OSA”) requires LIPA to provide written notification to PSEG Long Island regarding the renewal of required policies, desired changes in coverages, and any requests to investigate other types of coverages. The LIPA notification is sent each December.
- During 2020, LIPA risk management and LIPA's Insurance Advisor provided oversight of the coverages placed by PSEG Long Island as required by the OSA to assure prudent and economic coverage placed to protect the interest of LIPA's bondholders and customer-owners.

The policies included:

- Excess 3rd Party General Liability
- Property Insurance (all risks, excludes wires and poles) includes U.S. Property Terrorism
- Cyber Insurance - LIPA named insured on PSEG Long Island's Cyber Insurance
- Nuclear Electric Replacement for Nine Mile Point, Unit 2
- LIPA maintains its own insurance policies including Director and Officer liability, premises general liability and property insurance, as well as cyber event insurance and employee practices liability insurance.

Business Continuity:

- LIPA’s Chief Information Officer maintains departmental and corporate level business continuity plans (“BCPs”) for LIPA operations. PSEG Long Island maintains BCPs for each operational area within each business unit.
- LIPA and PSEG Long Island’s staff annually review their respective BCPs. In addition, LIPA receives an annual report describing the status of PSEG Long Island’s testing of, and compliance with, their BCPs. In response to the Covid-19 pandemic, LIPA and PSEG Long Island activated their BCPs on March 17, 2020 and a majority of LIPA’s and PSEG Long Island’s staff successfully transitioned to performing their responsibilities from remote work locations.
- In August 2020, LIPA formed the Tropical Storm Isaias Task Force (the “Task Force”) to investigate the root causes of PSEG Long Island’s poor storm response. That investigation revealed that in several areas, including for key information technology systems, PSEG Long Island did not have adequate BCPs. Specifically, with respect to the failure of the outage management system, the Task Force’s 90-Day report noted, “With inadequate BCPs and no manual workarounds, PSEG Long Island leadership was simply unable to override standard operating procedures and take corrective actions.” One of the Task Force recommendations adopted by the Board on November 18 is to “create BCPs for all mission critical systems and processes.” LIPA staff will be overseeing creation of those BCPs to ensure they address the inadequacies identified by the Task Force investigation.

“An annual review of the maturity of the Program compared to industry best practices, will be provided to senior management and the Authority’s Internal Audit staff.”

- The updated 2020 ERM maturity model results were provided to LIPA’s ERMC and senior management and discussed at the ERMC’s July 2020 meeting.
- LIPA’s Internal Audit department received a copy of the 2020 ERM maturity assessment and diagnostic report prepared by a third-party vendor, which measures the current maturity of the LIPA ERM Program and comparison to industry benchmark.

Annual Review of the Policy

LIPA Staff has reviewed the Policy and recommends the following changes:

- edits to the Program’s key provisions to focus the objective of the Program for LIPA and PSEG Long Island to strategically manage their respective risks to reduce the probability of significant outages, financial loss, health and safety events, and reputational harm, and to recognize PSEG Long Island’s governance of the Program by its Risk Management Committee;
- transfer responsibility for LIPA’s BCPs and oversight of PSEG Long Island’s BCPs to LIPA’s Department of Innovation and Information Technology;

- change the ERM maturity model assessment review from annual to biennial as the ERM Program matures; and
- certain other non-material wording changes.

The proposed changes to the Policy are more particularly set forth in Exhibit “B”.

Recommended Changes to the ERM Program in Light of Isaias Task Force Reports

The Isaias Task Force’s 90-Day Report found numerous examples where PSEG Long Island lacked transparency in its dealings with LIPA. This lack of transparency has impacted the effectiveness of LIPA’s ERM Program, including inaccurate and, at times, overly confident rankings by PSEG Long Island of certain key risks and poor implementation of mitigation strategies. To address these issues, LIPA Staff recommends the following changes to the ERM program:

- Include LIPA SMEs and ERM team members in all risk discussions;
- Designate management-level owners for each risk mitigation strategy and related management action plan;
- Establish a joint SharePoint site so that risk information, including risk assessment, deep dive analysis, mitigation strategies, and current status of implementation plans, can be accessed in real-time by LIPA SMEs;
- Produce an annual ERM report, providing a complete aggregation of all risks, effectiveness of mitigation actions for high-priority risks, areas of weakness/need improvement, and general observations, by June 1 of each year;
- Perform deep dive analysis on high-priority risks including what mitigation actions have been implemented, those underway, planned, and areas of deficiency;
- Develop a risk correlation matrix to better understand end-to-end impacts and the risks that are interrelated (especially for major storm) to better inform needed mitigation strategies;
- Provide risk training to all SMEs participating in the annual risk assessment process so that the expectations and value of the process are better understood by the participants; and
- Develop a process so that if a high-risk event or condition is identified by LIPA, PSEG Long Island, or PSEG personnel (e.g. when OMS was failing days before the storm) such event or condition (i) immediately triggers a risk review by the LIPA and PSEG Long Island ERM teams and (ii) is elevated to both LIPA and PSEG Long Island management.

The Board has requested implementation plans for each of these recommendations and quarterly reporting to the F&A Committee on the status of their implementation.

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 submit comments, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1572. RESOLUTION APPROVING THE ANNUAL REPORT AND AMENDMENTS ON THE BOARD POLICY ON ENTERPRISE RISK MANAGEMENT AND REQUIRING CHANGES TO THE ERM PROGRAM IN RESPONSE TO THE ISAIAS TASK FORCE REPORTS

WHEREAS, the Enterprise Risk Management Policy (the “Policy”) was originally approved by the Board of Trustees by Resolution No. 1351, dated March 29, 2017; and

WHEREAS, the Policy was last reviewed and amended by Resolution No. 1492, dated September 25, 2019; and

WHEREAS, the Finance and Audit Committee (the “Committee”) of the Board of Trustees of the Long Island Power Authority (the “Board”) has conducted an annual review of the Policy and recommended that the Board find that the Policy has been complied with and that the changes to the Policy are due and proper.

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

BE IT FURTHER RESOLVED, that consistent with the accompanying memorandum, the Committee recommends that the Board adopt the changes to the Policy that are reflected in Exhibit “B;”

BE IT FURTHER RESOLVED, that consistent with the accompanying memorandum, the Board adopts the recommendations to improve the ERM Program and asks for LIPA and PSEG Long Island to file implementation plans no later than the Board’s January Board meeting for review by the Committee; and

BE IT FURTHER RESOLVED, that the Board asks for quarterly reporting to the Committee on the status of the implementation plans until such time as the plans are fully implemented.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of the Adoption of Budget Development Process Improvement Recommendations to be presented by Tamela Monroe.

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

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution approving certain recommendations developed by LIPA to improve the budget development process by and between LIPA and PSEG Long Island (the “Budget Improvement Process Recommendations”), which resolution attached hereto as Exhibit “A”.

Background

Pursuant to Section 4.4(16), Rights and Responsibilities of LIPA, of the Amended and Restated Operations Services Agreement (“OSA”), LIPA, in part, has the right to “make recommendations to the Service Provider, in each case as may be reasonably necessary or appropriate to perform LIPA’s oversight responsibilities and obligations with respect to the provision of Operations Services under this Agreement and as may otherwise be necessary or appropriate to comply with LIPA’s legal, contractual and fiduciary obligations. . .”

Annually, LIPA and PSEG Long Island work to develop the following year’s budget. Based on LIPA’s findings after completion of the 2021 budget process, LIPA Staff has developed the Budget Improvement Process Recommendations for the Board’s consideration in an effort to improve the annual budget development process with PSEG Long Island. Each of the Budget Improvement Process Recommendations, as described below, requires the development and preparation of an Implementation Plan to ensure that the recommendations are acted on in a timely manner.

LIPA has already taken steps to improve its oversight of the PSEG Long Island departmental budgets. In doing so, LIPA is engaging more existing LIPA Staff in the review of those departmental budgets. In order for additional oversight, LIPA Staff has begun integrating operations oversight and budget oversight, which will lead to a more comprehensive review

of work plans and budgeted resources. In addition, LIPA will begin assigning certain individuals to oversee PSEG Long Island departments in order to facilitate a more comprehensive oversight process.

This re-alignment within LIPA will assist the joint effort to improve the budget development process. It is critical, however, to further improve the budget development process, that the Budget Improvement Process Recommendations, as more specifically discussed below, are implemented.

Recommendations

A. Recommendation – Leverage New Technology

Based on LIPA's evaluation of the benefits derived from an automated budget system, LIPA Staff recommends a new system to enhance the budget development process to provide a seamless data sharing platform as well as improved documentation with data analytics capabilities. As such, LIPA will begin procurement actions in early 2021 for the acquisition and implementation of a new budget system. The initial steps will include obtaining a project manager and system integrator. This system would be used by both LIPA and PSEG Long Island to develop their respective budgets as well as jointly used for the development of the Consolidated LIPA budget. As such, LIPA will partner with PSEG Long Island Staff to develop the system scope document and implementation plan.

B. Recommendation – More Detailed Budget Information

To improve the documentation and planning in support of the development of budgets, LIPA staff is recommending that PSEG Long Island's departments develop Budget Briefing Books that document and explain the work plans and proposed resource allocations at the department level.

The Budget Briefing Book should be informative and present the underlying assumptions regarding funding levels, headcount, workload and work plans. Where resources are budgeted based on a calculation or model, PSEG Long Island should provide details regarding the calculations and assumptions.

In order to assist with the transition to this new requirement, LIPA requests PSEG Long Island develop these Department Budget Briefing Books by March 2021. This will allow LIPA and PSEG Long Island, collectively, to confirm the format of the Briefing Books and clear issues surrounding the process before the 2022 budget development process begins.

C. Recommendation – Reallocation Explanations

An improved budget process should minimize the need to reallocate funds within the Operations & Maintenance ("O&M") budget during the year. Better budget planning will provide department managers a more stable financial environment for planning.

Of course, unexpected events do arise that may require the reallocation of O&M budget funds between departments. PSEG Long Island's flexibility to reallocate funds within the O&M budget under the OSA requires PSEG Long Island to consult with LIPA. To clarify

LIPA's expectations with respect to the consultation in the current OSA, LIPA Staff is recommending that PSEG Long Island provide explanations on the reallocation of funds within the O&M budget.

D. Implementation Plans

This effort is critical to ensuring resources are used effectively and efficiently for the benefit of our customers and in accordance with LIPA's Board Policies. As such, PSEG Long Island should prepare Implementation Plans for the Recommendations B and C, above, no later than January 22, 2021. LIPA will prepare an Implementation Plan for Recommendation A and consult with PSEG Long Island staff in doing so. The Implementation Plans for all three recommendations will be presented to the Board at its February 2021 meeting.

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 submit comments, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1573. RESOLUTION ADOPTING BUDGET IMPROVEMENT PROCESS RECOMMENDATIONS

WHEREAS, pursuant to Section 4.4(16), Rights and Responsibilities of LIPA, of the Amended and Restated Operations Services Agreement ("OSA"), LIPA, in part, has the right to "make recommendations to the Service Provider, in each case as may be reasonably necessary or appropriate to perform LIPA's oversight responsibilities and obligations with respect to the provision of Operations Services under this Agreement and as may otherwise be necessary or appropriate to comply with LIPA's legal, contractual and fiduciary obligations. . ."; and

WHEREAS, annually, LIPA and PSEG Long Island work to develop the following year's budget; and

WHEREAS, based on LIPA's findings after completion of the 2021 budget process, LIPA Staff has developed the Budget Improvement Process Recommendations, as described in the accompanying memorandum; and

WHEREAS, each of the Budget Improvement Process Recommendations require the development and preparation of an Implementation Plan to ensure that the recommendations are acted on in a timely manner; and

NOW, THEREFORE, BE IT RESOLVED, the Board hereby adopts the Budget Improvement Process Recommendations; and

BE IT FURTHER RESOLVED, that the Board hereby directs LIPA Staff, together with PSEG Long Island, to implement the Budget Improvement Process Recommendations, including the creation of Implementation Plans in advance of the Board’s February 2021 meeting.

Acting Chair Fischl stated that the last item on the agenda was the Consideration of Adoption of a Resolution Acknowledging the Dedicated Service of the PSEG Long Island ServCo Workforce to be presented by Thomas Falcone.

After questions and a discussion by the Trustees, and the opportunity for the public to submit comments², upon a motion duly made and seconded, the following resolutions were approved by the Trustees.

**1574. LONG ISLAND POWER AUTHORITY BOARD OF TRUSTEES
RESOLUTION ACKNOWLEDGING THE DEDICATED SERVICE OF THE PSEG
LONG ISLAND SERVCO WORKFORCE**

WHEREAS, Long Island and the Rockaway Peninsula have long benefitted from the loyal and dedicated “ServCo” workforce that has served the Long Island Power Authority (“LIPA”) and its customers under various management arrangements over the past twenty-two years; and

WHEREAS, with Tropical Storm Isaias, the COVID-19 global pandemic, and other events, 2020 has been a trying year for PSEG Long Island’s ServCo workforce, including the Members of the IBEW Local 1049; and

WHEREAS, notwithstanding, these workers have done a valiant and admirable job to ensure that electric customers on Long Island and the Rockaway Peninsula continue to receive clean, reliable electric service; and

WHEREAS, the dedicated ServCo workforce serving LIPA and Long Island electric customers puts customers and community first in everything they do, including when called upon during emergency events.

² Board Secretary Bobbi O’Connor read several public comments which were submitted to the Trustees via the LIPA website. These comments are retained as public record and attached hereto.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees is grateful for and extends its profound appreciation to the PSEG Long Island ServCo workforce, including the Members of IBEW Local 1049, in the midst of unusual challenges and thanks them for their extraordinary service to the customers on Long Island and the Rockaway Peninsula; and

BE IT FURTHER RESOLVED, that while LIPA is currently reviewing its contractual relationship with PSEG Long Island, this review is focused on management performance during Tropical Storm Isaias. The Board of Trustees appreciates the extraordinary efforts of the PSEG Long Island ServCo workforce to restore power during the storm under challenging circumstances and values your continued future service to our community.

Acting Chair Fischl then asked for a motion to adjourn. The motion was duly made and seconded, and the meeting concluded at approximately 11:12 a.m.

Public Comments

December 16, 2020

From: Web Forms
Sent: Tuesday, December 15, 2020 9:50 AM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Joe Tonini

Address

103 Skelly Place, Mineola

Affiliation

Sierra Club and LIPC volunteer

Agenda Topic

End contract with PSE&G, municipality power for LI residents

Comment

I am in agreement with the statement submitted by a coalition of organizations of which LIPC is a member for the goal of ending the contract with PSE&G, and municipalities power distribution for LI residents.

Sent from [Lipower](#)

From: Web Forms
Sent: Tuesday, December 15, 2020 9:43 AM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Jacquelyn Fusco

Address

439 west olive st

Affiliation

Long Island Progressive Coalition

Agenda Topic

Public Power LIPA/PSEG

Comment

Please consider the statement sent by Long Island Progressive Coalition and commit to public power.

Sent from [Lipower](#)

From: Web Forms
Sent: Tuesday, December 15, 2020 8:58 AM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Emilia Brandimarte

Address

8 Lacrosse road Mastic Beach 11951

Agenda Topic

Public Power for Long Island

Comment

To the LIPA Board. I'm a resident of Mastic Beach and I support the statement submitted by Long Island Progressive Coalition copied below:

To the LIPA Board of Trustees,

The time to reimagine the Long Island Power Authority (LIPA) is long past due. Our utility and the systems of oversight around it have failed Long Island over and over again, yet some are calling for LIPA to restructure its contracts or to fully privatize. We cannot risk treading the same old path with a new pair of shoes. Instead we must strike out on a better road, envisioning a publicly owned, controlled, and managed power

authority, establishing new standards for accountability, equity, resilience, and democracy.

Almost 35 years ago, New York State established LIPA to replace the Long Island Lighting Company (LILCO) to address private utilities' failure to provide adequate services. However, years of public-private partnerships have removed us further from the root of our needs: an energy system in service of people, not profits. On good days, we pay outrageous rates for inadequate service. On bad days, we wait in the dark unable to get clear answers on when service will return. On all days, we maintain reliance on climate-wrecking fossil fuels that put our region at risk of further catastrophe.

Our utility consistently fails us, no more apparent than during last summer's Tropical Storm Isaias which proved PSEG LI incapable of responding to the challenge of providing and maintaining the resilient electric grid that Long Islanders need. We call on LIPA to terminate their contract with PSEG LI as soon as possible and fully municipalize. The storms could only get worse and Long Islanders are already fed up.

We must fully commit to a new paradigm of energy management on Long Island and oppose any efforts to further privatize our energy services. Across the country, publicly owned utilities have proven more affordable and reliable for residential customers. They are more responsive to customer needs, yielding better customer satisfaction. Their shorter outage times safeguard households' food and medicine and improve the productivity of small businesses. And they can ensure that Long Island helps fulfill the legal and moral obligation we have to prevent climate catastrophe by moving off fossil fuels and transitioning to 100% clean, renewable energy.

With a proper process in place, we can reimagine, reinvent, and restructure LIPA so that it is led by those most impacted by decisions concerning our energy system: ratepayers, workers, municipalities, community organizations, low-income households, and environmental justice communities. We can ensure that those who use, pay for, and work for the system have a say in how it runs. This is a choice we can make together as Long Island to prevent further encroachment of our energy commons by

the forces of privatization. After a past riddled with mismanagement and failure after failure for Long Island communities, now is our moment to reimagine LIPA, end corporate control and abuse of our energy systems, and realize the benefits of public power and full municipalization: real accountability, reliable service, affordable power, and a commitment to our transition off harmful fossil fuels.

We demand a genuine, inclusive, and robust process as LIPA's path forward is determined. We can no longer separate LIPA from everyday Long Islanders. We call for a public process that convenes appropriate stakeholders to serve as a watchdog in this crucial moment through public hearings, town halls, and other forms of participatory community engagement.

Sent from [Lipower](#)

Web Forms

(o) (m)
[Lipower.org](#)



From: Web Forms
Sent: Tuesday, December 15, 2020 8:39 AM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Ellen Meister

Address

4 Essex Place, Jericho, NY 11753

Affiliation

private citizen

Agenda Topic

Ending PSEG

Comment

I fully support ending Long Island's disastrous contract with PSEG, which has failed Long Island miserably, and met the failure with smug indifference due to the absurdly corrupt power they have been granted, with no disincentives for poor performance or mistreating customers. It's time for our electrical service to be municipalized. No more PSEG!

From: Web Forms
Sent: Tuesday, December 15, 2020 7:36 AM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Ryan Madden

Address

90 Pennsylvania Avenue, Massapequa, NY 11758

Affiliation

Long Island Progressive Coalition

Agenda Topic

Public Power for Long Island

Comment

On behalf of the Long Island Progressive Coalition, I am attaching a statement for submission for the next meeting of the LIPA Board of Trustees on December 16th that has been signed by 20 Long Island organizations with a call to Reimagine the Long Island Power Authority.

If you have an attachment, please upload it here.

[Reimagine-LIPA -Municipalization-Statement.pdf](#)

Sent from [Lipower](#)



Web Forms

(o) (m)
Lipower.org

December 15th, 2020

To the LIPA Board of Trustees,

The time to reimagine the Long Island Power Authority (LIPA) is long past due. Our utility and the systems of oversight around it have failed Long Island over and over again, yet some are calling for LIPA to restructure its contracts or to fully privatize. We cannot risk treading the same old path with a new pair of shoes. Instead we must strike out on a better road, envisioning a publicly owned, controlled, and managed power authority, establishing new standards for accountability, equity, resilience, and democracy.

Almost 35 years ago, New York State established LIPA to replace the Long Island Lighting Company (LILCO) to address private utilities' failure to provide adequate services. However, years of public-private partnerships have removed us further from the root of our needs: an energy system in service of people, not profits. On good days, we pay outrageous rates for inadequate service. On bad days, we wait in the dark unable to get clear answers on when service will return. On all days, we maintain reliance on climate-wrecking fossil fuels that put our region at risk of further catastrophe.

Our utility consistently fails us, no more apparent than during last summer's Tropical Storm Isaias which proved PSEG LI incapable of responding to the challenge of providing and maintaining the resilient electric grid that Long Islanders need. We call on LIPA to terminate their contract with PSEG LI as soon as possible and fully municipalize. The storms could only get worse and Long Islanders are already fed up.

We must fully commit to a new paradigm of energy management on Long Island and oppose any efforts to further privatize our energy services. Across the country, publicly owned utilities have proven more affordable and reliable for residential customers. They are more responsive to customer needs, yielding better customer satisfaction. Their shorter outage times safeguard households' food and medicine and improve the productivity of small businesses. And they can ensure that Long Island helps fulfill the legal and moral obligation we have to prevent climate catastrophe by moving off fossil fuels and transitioning to 100% clean, renewable energy.

With a proper process in place, we can reimagine, reinvent, and restructure LIPA so that it is led by those most impacted by decisions concerning our energy system: ratepayers, workers, municipalities, community organizations, low-income households, and environmental justice communities. We can ensure that those who use, pay for, and work for the system have a say in how it runs. This is a choice we can make together as Long Island to prevent further encroachment of our energy commons by the forces of privatization. After a past riddled with mismanagement and failure after failure for Long Island communities, now is our moment to

reimagine LIPA, end corporate control and abuse of our energy systems, and realize the benefits of public power and full municipalization: real accountability, reliable service, affordable power, and a commitment to our transition off harmful fossil fuels.

We demand a genuine, inclusive, and robust process as LIPA's path forward is determined. We can no longer separate LIPA from everyday Long Islanders. We call for a public process that convenes appropriate stakeholders to serve as a watchdog in this crucial moment through public hearings, town halls, and other forms of participatory community engagement.

Signed:

Long Island Progressive Coalition
Nassau County Democratic Socialists of America
Suffolk County Democratic Socialists of America
New York Communities for Change
Food & Water Action
Warriors of the Sunrise
Cooperation Long Island
Green Party of Nassau County
NY02 Indivisible
Progressive East End Reformers
Suffolk Progressives
Environmental Action Coalition
Four Directions Mutual Aid
Nassau Hiking & Outdoor Club
All Our Energy
Long Island Activists
Together We Will LI
Planned Parenthood Hudson Peconic
Shinnecock Grave Protection Warrior Society
Long Island Network for Change

From: Web Forms
Sent: Tuesday, December 15, 2020 6:29 AM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Fred Harrison

Address

62v Elinore Avenue

Affiliation

Food and Water Watch

Agenda Topic

LIPA's future

Comment

I would like to commend the Board on its decision to pursue legal action against PSEG. In taking this action LIPA makes it clear that the source of the service failures this past summer was a company that put its interests first, leaving Long Islanders to suffer the consequences. As has been highlighted in the fact finding, PSEG clearly failed its ratepayers. LIPA has been left to pick up the pieces and find a way forward.

As we consider the way forward, maintaining and strengthening public power on Long Island will be crucial. We may argue over whether or not a different structure for LIPA (an elected board, for example) would better serve us in the years ahead, but I hope that there is unanimity on the current Board that ratepayers need a utility that puts them first. We do not want, need or can afford, a utility that puts its investors, shareholders and managers first.

Moreover, as we move to implement the path-breaking Climate Leadership and Community Protection Act (CLCPA), ratepayers cannot allow private interests to take precedence. As long-time ratepayers know too well, LILCO, the privately owned and investor-first utility, brought ratepayers Shoreham and the debt that cripples us to this day. Isn't the investor-first PSEG fiasco enough of a reminder of what profit seeking utilities do to their ratepayers? How many times must we learn the same lesson?

Ratepayers and residents concerned with affordable and carbon free electricity need a strong LIPA. We need a LIPA which moves full steam ahead to fulfill its obligations to the public. We need a LIPA that seeks to reap the benefits of non-profit electric power. We need a LIPA that sees its future in teaming up with NYPA to pursue nonprofit solar, wind and storage projects. We need a LIPA that exemplifies the best of public power. Ratepayers deserve nothing less.

Sent from Lipower

Web Forms

(o) (m)
Lipower.org



From: Web Forms
Sent: Monday, December 14, 2020 2:20 PM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Guy Jacob

Address

705 Wyngate Drive West, Valley Stream, NY 11580

Agenda Topic

Public Power for Long Island

Comment

As a property owner who had solar panels installed this year, I know first hand that this investment is expensive even after federal and NYS rebates. I still must pay about \$12.00 per month just to be connected to the grid, which is entirely too expensive.

LIPA should do what it can to encourage distributed solar panel installations by homeowners, and reducing this monthly grid connection fee would be an important step in this direction, particularly given the fact that federal rebates will continue be reduced each year moving forward.

PSEG will not consider lowering this grid connection fee for solar panel homeowners, which is just one more reason why we need fair public power for LI. Public Power for LI would take into consideration the clean air environmental service that homeowners

who install solar panels provide for society at large. Reduce our monthly grid connections fee!

Sent from [Lipower](http://Lipower.org)



Web Forms

(o) (m)
Lipower.org

From: Web Forms
Sent: Monday, December 14, 2020 1:11 PM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Eric Weltman

Affiliation

Food & Water Watch

Agenda Topic

Future of LIPA

Comment

Statement of Eric Weltman, Food & Water Watch
Long Island Power Authority
December 16, 2020

My name is Eric Weltman, and I'm a New York-based organizer with Food & Water Watch, a nonprofit environmental organization.

We strongly oppose corporate control of Long Island's energy system, and call on the LIPA board to reject privatization.

We support the creation of a democratic decision-making structure that is genuinely accountable to the interests and needs of the people who rely on the system as well as the workers who run it.

It is time for the Cuomo administration, and for the LIPA board, to embrace public power as the most effective means of achieving the goals of reliable service, affordable energy, and fulfilling our commitment to transition off fossil fuels.

Long Island has already suffered immensely from the destructive impact and aftermath of superstorms – and the threat of climate change only grows worse. We cannot afford to trust our fate to PSEG. We need accountability, we need democratic governance and control, we need public power.

We stand with the Long Island Progressive Coalition and all of our allies in calling for an inclusive process for determining the path forward for LIPA, including how to maximize oversight, responsiveness, and accountability – a process that includes public hearings, town halls and other forms of community engagement.

Thank you for your consideration.

Eric Weltman
Senior Organizer
Food & Water Watch

eweltman@fwwatch.org

(c) 617-304-5330

32 Court Street

Brooklyn, NY 11201

Sent from [Lipower](#)

Web Forms

(o) (m)
Lipower.org



From: Web Forms
Sent: Tuesday, December 15, 2020 8:27 PM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Kevin White

Address

33 View Road, Setauket, NY 11733

Agenda Topic

Public Power

Comment

I demand you immediately terminate contract with PSEG and fully municipalize!

Sent from [Lipower](#)



Web Forms

(o) (m)
Lipower.org

From: Web Forms
Sent: Tuesday, December 15, 2020 5:52 PM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Michael Brady

Address

82 Lou Avenue, Kings Park, NY 11754

Affiliation

Long Island Progressive Coalition

Agenda Topic

Public Power for Long Island

Comment

To the LIPA Board. I'm a resident of Kings Park, New York, and member of Long Island Progressive Coalition. As a life long resident of Long Island, I support the statement submitted by my organization and several other prominent organizations earlier today.

It is time to end the charade of the Public/Private partnership that was foisted upon the Long Island community as a result of the disastrous bail-out of LILCO. At that time,

New York state decided reward LILCO for its complete mismanagement in constructing the Shoreham plant and to favor the investors of LILCO over the hard-working citizens and ratepayers of Long Island. We continue to bear this burden decades later, and we have suffered from high electric rates and abysmal service as result.

Now, we are stuck with PSEG-LI, a New Jersey based company with no ties and apparently no affection for Long Island. To say that PSEG-LI has been ineffective is to be charitable. A worse managed private entity is would be hard to imagine had I not had the misfortune to witness the performance of LILCO during my lifetime. The comparison is apt--the sustained power outages from Tropical Storm Isaias brought to mind similar outages during Hurricane Gloria with LILCO at the helm. The ratepayers have received horrible service in exchange for paying among the highest electric rates in the country and likely among the highest in the world.

So we've tried a private utility. We've tried a public/private partnership. Both have failed tremendously and people have suffered as a result. It's time to bring the power to the people, pun obviously intended. We as ratepayers and citizens of New York demand a modern approach to power. We deserve transparency and accountability which can only be accomplished through the municipalization of our electric utility.

To this date we still are paying for the LILCO's malfeasance and refusal to listen to its customers. With that debt still being paid, there quite frankly is no room for private profit in our utility rates. Your own studies have shown that the only means of significantly saving the ratepayers money is to cancel the PSEG contract and let the state take over. The efficiencies of doing so can not be debated in good faith.

Additionally, New York state's landmark Climate Leadership and Community Protection Act will require our electric company to be nimble and transparent in making the changes necessary to reduce and ultimately eliminate its carbon footprint. The survival of our planet as we know it demands that the goals of this statute be accomplished. We can not afford for our power grid to be managed but a private entity whose incentive is to maintain the status quo for as long as they can. For this reason, as

much as any of the foregoing reasons, we must have a publicly run electric provider to replace PSEG, and must have it as soon as possible.

Thank you.

Sent from [Lipower](#)

Web Forms

(o) (m)
[Lipower.org](#)



From: Web Forms
Sent: Tuesday, December 15, 2020 2:38 PM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Lisa Tyson

Address

2401 Schiller Avenue North Bellmore NY 11710

Affiliation

Long Island Progressive Coalition

Agenda Topic

LIPA Options

Comment

see attachment

If you have an attachment, please upload it here.

[Lisa-Tyson-Long-Island-Progressive-Coalition-Testimony.docx](#)



**Lisa Tyson, Long Island Progressive Coalition Director
Testimony for LIPA 12/16/20 meeting**

The Long Island Progressive Coalition fights for structural change at the local, state, and national levels to attain racial justice, build community wealth, and realize a just transition to a 100% renewable energy future.

After reviewing the Adoptions Analysis of LIPA Assets we strongly recommend that LIPA ends its contract with PSEG and moves to become a fully publicly owned and managed utility. The report clearly states:

- Savings of \$65 to \$75 million per year compared to PSEG Long Island contract. Municipal Management Is Financially Feasible and an Attractive Alternative to the Single-Source Service Provider Model. This savings can be used for storm hardening, investing in clean energy production, and lowering rates.
- Publicly-owned utilities and co-ops nationwide fare as well or better than private sector utilities in the measures customers care about – customer satisfaction and reliability. They also tend to be leaders in clean energy.

Across the country, 2,000 public power utilities serve almost 15% of Americans, offering 13% cheaper rates and 46% shorter outage times than private utilities. Lets go public in all senses of the term: ownership, management, and operations. To properly represent the public, LIPA's board must include better representation of critical local stakeholders, from resilience experts to community and environmental advocates. Planning and operations must be informed by robust public participation processes and partnerships with universities and local organizations.

Long Island is at a crossroads in our energy system. Now is the time for us to put the people in the driving seat rather than shareholders. This is not the 1950's anymore. Running an energy system today is more complicated than ever before. Storms have been increasing in frequency and destruction, as anyone who remembers Sandy or Isaias can attest.

Today we are having major snowstorm. We are horrified that PSEG is not prepared. We are in a pandemic, a health crisis. We should have full confidence in our energy system. We don't. Lets go public!

From: Web Forms
Sent: Tuesday, December 15, 2020 1:44 PM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Rita Edwards

Agenda Topic

PSEG no longer our energy source. Municipalize!

Comment

Municipalize our energy source.

Sent from [Lipower](#)

Web Forms

(o) (m)
Lipower.org



From: Web Forms
Sent: Tuesday, December 15, 2020 12:28 PM
To: Comments on LIPA Board Agenda Items
Subject: Website Inquiry: Board Agenda Comments

Name

Nancy D'Angelo

Address

10 Wesley St

Affiliation

Long Island Progressive Coalition

Agenda Topic

Publically owned controlled and managed power on Long Island

Comment

December 15th, 2020

To the LIPA Board of Trustees,

The time to reimagine the Long Island Power Authority (LIPA) is long past due. Our utility and the systems of oversight around it have failed Long Island over and over

again, yet some are calling for LIPA to restructure its contracts or to fully privatize. We cannot risk treading the same old path with a new pair of shoes. Instead we must strike out on a better road, envisioning a publicly owned, controlled, and managed power authority, establishing new standards for accountability, equity, resilience, and democracy.

Almost 35 years ago, New York State established LIPA to replace the Long Island Lighting Company (LILCO) to address private utilities' failure to provide adequate services. However, years of public-private partnerships have removed us further from the root of our needs: an energy system in service of people, not profits. On good days, we pay outrageous rates for inadequate service. On bad days, we wait in the dark unable to get clear answers on when service will return. On all days, we maintain reliance on climate-wrecking fossil fuels that put our region at risk of further catastrophe.

Our utility consistently fails us, no more apparent than during last summer's Tropical Storm Isaias which proved PSEG LI incapable of responding to the challenge of providing and maintaining the resilient electric grid that Long Islanders need. We call on LIPA to terminate their contract with PSEG LI as soon as possible and fully municipalize. The storms could only get worse and Long Islanders are already fed up.

We must fully commit to a new paradigm of energy management on Long Island and oppose any efforts to further privatize our energy services. Across the country, publicly owned utilities have proven more affordable and reliable for residential customers. They are more responsive to customer needs, yielding better customer satisfaction. Their shorter outage times safeguard households' food and medicine and improve the productivity of small businesses. And they can ensure that Long Island helps fulfill the legal and moral obligation we have to prevent climate catastrophe by moving off fossil fuels and transitioning to 100% clean, renewable energy.

With a proper process in place, we can reimagine, reinvent, and restructure LIPA so that it is led by those most impacted by decisions concerning our energy system: ratepayers, workers, municipalities, community organizations, low-income households,

and environmental justice communities. We can ensure that those who use, pay for, and work for the system have a say in how it runs. This is a choice we can make together as Long Island to prevent further encroachment of our energy commons by the forces of privatization. After a past riddled with mismanagement and failure after failure for Long Island communities, now is our moment to reimagine LIPA, end corporate control and abuse of our energy systems, and realize the benefits of public power and full municipalization: real accountability, reliable service, affordable power, and a commitment to our transition off harmful fossil fuels.

We demand a genuine, inclusive, and robust process as LIPA's path forward is determined. We can no longer separate LIPA from everyday Long Islanders. We call for a public process that convenes appropriate stakeholders to serve as a watchdog in this crucial moment through public hearings, town halls, and other forms of participatory community engagement.

Signed:

Long Island Progressive Coalition
Nassau County Democratic Socialists of America
Suffolk County Democratic Socialists of America
New York Communities for Change
Food & Water Action
Warriors of the Sunrise
Cooperation Long Island
Green Party of Nassau County
NY02 Indivisible
Progressive East End Reformers
Suffolk Progressives
Environmental Action Coalition
Four Directions Mutual Aid
Nassau Hiking & Outdoor Club
All Our Energy
Long Island Activists

Together We Will LI

Planned Parenthood Hudson Peconic

Shinnecock Grave Protection Warrior Society

Long Island Network for Change

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From: Web Forms <webforms@lipower.org>

Sent: Wednesday, December 16, 2020 9:33 AM

To: Comments on LIPA Board Agenda Items <boardagendacomments@lipower.org>

Subject: Website Inquiry: Board Agenda Comments

Name

Lucas T

Agenda Topic

Regarding ending the PSEG LI contract

Comment

I am in full support of the call to end LIPA's contract with PSEG LI and to municipalize our power. The evidence is available and it clearly shows that publicly owned utilities are more affordable and are more attentive to residents' needs. We've been failed time and time again buy PSEG, the time to municipalize is now.

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From:
Sent:
To:

From: pguidice@ibew1049.com <pguidice@ibew1049.com>
Sent: Tuesday, December 15, 2020 6:27 PM
To: Michael Deering <MDeering@lipower.org>
Cc: Tom Locascio <tlocascio@lipower.org>; 'Kasey A. Scheid' <kscheid@ibew1049.com>
Subject: Local 1049 response to LIPA Trustees Resolution acknowledging Local 1049 membership

On behalf of the proud members of the International Brotherhood of Electrical Workers Local 1049, I would like to formally and sincerely express our heartfelt gratitude to the LIPA Board of Trustees and CEO Tom Falcone for the warm recognition of our efforts during the past year, including the emergency electric service restoration in the aftermath of Tropical Storm Isaias.

My Brothers and Sisters and I remain committed to our craft. Together, we dedicate ourselves to provide our more than 1.1 million Long Island neighbors with reliable electric service. Our mission is to ensure that when the system is damaged, we answer the call to restore the service that brings comfort and safety to our communities. It is part of our DNA and we take deep pride in our profession.

This past year has been challenging. The COVID-19 Pandemic presented many difficulties and encumbrances to our daily jobs. But we pushed through these obstacles and remain committed to serve. We value our relationships with the Long Island Power Authority, PSEGLI and our other electric line contractors. Please accept our collective and warmhearted appreciation for this magnanimous gesture of acknowledgement through this formal Resolution for our effort.

With warm regard, I remain

Respectfully yours

Patrick Guidice
Business Manager
International Brotherhood of Electrical Workers Local 1049

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