

**LONG ISLAND POWER AUTHORITY**

**MINUTES OF THE OVERSIGHT and CLEAN ENERGY COMMITTEE MEETING**

**HELD ON MARCH 29, 2021**

The Oversight and Clean Energy Committee of the Long Island Power Authority (“LIPA”) was convened at 9:01 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on March 25, 2021; and electronic notice posted on 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 March 29, 2021 Oversight and Clean Energy meeting. Members of the public are encouraged to observe the live stream of the 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:**

**Mark Fischl, Committee Chair (in person)**  
**Peter Gollon, Committee Member (via video conferencing)**  
**Ali Mohammed, Committee Member (via video conferencing)**  
**Drew Biondo (via video conferencing)**  
**Sheldon Cohen (via video conferencing)**  
**Laureen Harris (via video conferencing)**

**Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, Chief Administrative Officer & Board Secretary; Rick Shansky, Senior Vice President of Power Supply and Whole Markets; and Jen Hayen, Director of Communications.**

**Participating via video conferencing were Tamela Monroe, Chief Financial Officer; Billy Raley, Senior Vice President of Transmission and Distribution System Oversight; Kenneth Kane, Senior Advisor for Oversight; Justin Bell, Vice President of Public Policy**

and Regulatory Affairs; Donna Mongiardo, Vice President, Controller; Tom Locascio, Director of External Affairs; and Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board.

Representing PSEG Long Island, via video conferencing, was Paul Napoli, Vice President of Power Markets.

*Chair Fischl welcomed everyone to the Oversight and Clean Energy Committee meeting of the Long Island Power Authority Board of Trustees and stated that the first item on the agenda was the adoption of the minutes from the December 16, 2020 meeting.*

*Upon motion duly made and seconded, the minutes of the December 16, 2020 meeting were approved unanimously.*

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*Chair Fischl stated that the next item on the agenda was the PSEG Long Island Discussion of Transition to Clean Energy to be presented by Paul Napoli.*

*Mr. Napoli presented the PSEG Long Island Discussion of Transition to Clean Energy and took questions from the Trustees.*

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*Chair Fischl stated that the next item on the agenda was the Report on Long Island Choice Collaborative to be presented by Justin Bell.*

*Mr. Bell presented the Report on Long Island Choice Collaborative and took questions from the Trustees.*

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*Chair Fischl stated that the next item on the agenda is the Recommendation to Approve Tier 2 REC Contract with NYSEERDA be presented by Rick Shansky.*

*Mr. Shansky presented the following action item and took questions from the Trustees:*

## **Requested Action**

The Oversight and Clean Energy Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is being requested to recommend that the Board authorize the Chief Executive Officer or his designee to execute an agreement with the New York State Energy Research and Development Authority (“NYSERDA”) for the purchase of renewable energy certificates (“RECs”) required for LIPA’s compliance with goals established by the Climate Leadership and Community Protection Act (“CLCPA”).

## **Background**

On August 1, 2016, the New York State Public Service Commission (“PSC”) adopted an order establishing a Clean Energy Standard (the “CES Order”) as part of the State’s strategy to achieve a 40% reduction of statewide greenhouse gas emissions by 2030. The Order required that 50% of New York’s electricity be generated from renewable resources by 2030. The CES Order expected every Load Serving Entity (“LSE”) in New York State, including LIPA, which is not subject to the PSC’s jurisdiction, to “participate by satisfying their requisite share of responsibility.”

Effective January 1, 2020, the CLCPA has increased the 2030 renewable energy goal from 50% to 70%.

The CES Order established a multi-tier system for classifying renewable energy generation facilities (“REGFs”) and supporting their development. Renewable energy and corresponding RECs from REGFs that began operating in 2015 or later were classified as Tier 1. Tier 2 was established for maintaining existing REGFs whose contracts had expired. In its October 15, 2020 Order modifying the CES Order, PSC approved the establishment of a Competitive Tier 2 Program under which NYSERDA would purchase Tier 2 RECs through a competitive process designed to be “the most cost-effective strategy to provide qualified legacy renewable energy resources in New York State with appropriate support to continue to competitively operate and contribute to the State’s clean energy goals.” The Competitive Tier 2 Program will last through 2026 and be capped at a cost of \$200 million. The costs of the program will be allocated to the State’s LSEs in proportion to the load each serves and will be collected monthly through the sale of Tier 2 RECs to LSEs by NYSERDA.

The Board’s policy on Resource Planning and Renewable Energy provides for meeting the State’s clean energy goals in part by LIPA procuring cost-effective renewable resources and RECs and acting in coordination with other State energy authorities. Accordingly, LIPA seeks to contract with NYSERDA to meet LIPA’s share of responsibility for Tier 2 RECs, as determined by the PSC. Based on LIPA’s 12.5% share of the State’s load, LIPA’s maximum cost obligation is estimated to be \$25 million.

## **Discussion**

Recognizing that cooperation and coordination of REC procurements with NYSERDA will further LIPA’s and NYSERDA’s mutual goal of providing and maintaining the benefits of clean energy and efficient procurement to the State’s and LIPA’s electric ratepayers in a

cost-effective manner, LIPA Staff proposes that LIPA enter into an agreement with NYSERDA to purchase Tier 2 RECs up to LIPA's share of responsibility for Tier 2 RECs. The price of the Tier 2 RECs sold by NYSERDA will be determined in accordance with the auction process approved in the October 15, 2020 Order. The specific amount purchased will be selected by LIPA, considering LIPA's alternatives for self-supply, if any.

### **Recommendation**

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

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

### **RECOMMENDATION TO AUTHORIZE THE EXECUTION OF AN AGREEMENT WITH NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY ("NYSERDA") FOR THE PURCHASE OF TIER 2 RENEWABLE ENERGY CERTIFICATES ("RECs") TO BE ACQUIRED BY NYSERDA UNDER THE COMPETITIVE TIER 2 PROGRAM**

WHEREAS, the New York State Public Service Commission ("Commission") established a Clean Energy Standard ("CES") which required that 50 percent of the State's electricity be generated from renewable energy resources by 2030; and

WHEREAS, the Climate Leadership and Community Protection Act of 2019 increased the 2030 renewable energy goal to 70 percent; and

WHEREAS, the CES, as revised by the Commission on October 15, 2020, established the Competitive Tier 2 Program to meet the State's goal; and

WHEREAS, LIPA recognizes that cooperation and coordination of REC procurements by LIPA and NYSERDA will further LIPA's and NYSERDA's mutual goal of providing and maintaining the benefits of clean energy and efficient procurement to the State's and LIPA's electric ratepayers in a cost-effective manner; and

WHEREAS, LIPA and NYSERDA are in the process of negotiating an agreement that would allow LIPA to purchase Tier 2 RECs acquired by NYSERDA pursuant to the Competitive Tier 2 Program, accounting for eligible self-supply, if any.

NOW, THEREFORE, BE IT RESOLVED, that the Oversight and Clean Energy Committee hereby recommends that the Board authorize the Chief Executive Officer or his designee to execute and effect an agreement with NYSERDA consistent with the terms of the accompanying memorandum, and to perform such other acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or his designee, to implement LIPA's purchase of Tier 2 RECs from NYSERDA.

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*Chair Fischl stated that the next item on the agenda was the Recommendation to Approve Memorandum of Understanding with NYSERDA Relating to the Statewide Integrated Data Resource be presented by Justin Bell.*

*Mr. Bell presented the following action item and took questions from the Trustees:*

### **Requested Action**

The Oversight and Clean Energy Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is being requested to recommend that the Board authorize the Chief Executive Officer or his designee to execute a memorandum of understanding with the New York State Energy Research and Development Authority (“NYSERDA”) for funding the Phase 1 of the statewide Integrated Energy Data Resource program.

### **Background**

On February 11, 2021, the New York State Public Service Commission (“PSC”) adopted an order (“IEDR Order”) establishing the Integrated Energy Data Resource (“IEDR”). IEDR is intended to enable the compilation of integrated energy customer data and energy system data from across New York State to enable effective and efficient deployment of clean energy solutions to help transform the State’s electricity system into one that is cleaner, more resilient, and more affordable.

According to the Order, access to useful energy data “will attract investment, enable analytics, help identify operational efficiencies, promote innovation, and encourage new business models, which will in-turn create value for customers and the State’s energy system.”

IEDR will be implemented in two phases and in compliance with the PSC’s new policies for a uniform and comprehensive statewide Data Access Framework to govern the means and methods for accessing and protecting all types of energy-related information. IEDR will prioritize uses that materially improve or accelerate investment, operational, or regulatory decisions related to Distributed Energy Resources (“DER”), energy efficiency, environmental justice, or electrification strategies for transportation and buildings, thereby facilitating faster fulfillment of one or more of New York State’s Renewed Energy Visions (“REV”) and Climate Leadership and Community Protection Act (“CLCPA”) objectives. Phase 1 of the program will enable at least five of the highest priority use cases with the expectation that there could be ten or more achieved. Phase 2 will “expand and enhance the initial IEDR to enable approximately an additional forty use cases incrementally, by building upon the success of Phase 1. The total duration for enabling approximately 50 IEDR use cases shall be about 60 months. Phase 1 shall be completed in 24 – 30 months. Phase 2 shall be completed in 30 – 36 months.”

Participation in the IEDR program would allow LIPA to align the various energy-related data activities under its control with the statewide IEDR to maximize benefits of the resource to Long Island ratepayers and New York State in general. To that end, the IEDR Order requests that LIPA contribute an amount based on its portion of total electric load for 2019. NYSERDA, as the Program Manager of IEDR implementation, has a Phase 1 budget cap of \$13.5 million.

The Board's policy on Resource Planning and Renewable Energy provides for meeting the State's clean energy goals in part by LIPA procuring cost-effective renewable resources and Renewable Energy Credits ("RECs"), and acting in coordination with other State energy authorities.

Accordingly, LIPA seeks to participate and contribute to the cost of IEDR by entering into a Memorandum of Understanding ("MOU") with NYSERDA for funding the Phase 1 of the program.

### Discussion

Recognizing that cooperation and coordination of development of useful energy data collection and analysis tools with NYSERDA will further LIPA's and NYSERDA's mutual goal of efficiently and effectively achieving the State's clean and affordable energy goals, LIPA Staff proposes that LIPA enter into an MOU with NYSERDA to fund LIPA's share of NYSERDA's budget for Phase 1 of the IEDR implementation. The total cost to LIPA, as calculated by NYSERDA, will be no more than \$1,578,632 based on LIPA's load share of the actual Phase 1 expenses.

### Recommendation

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

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

### **RECOMMENDATION TO AUTHORIZE THE EXECUTION A MEMORANDUM OF UNDERSTANDING ("MOU") WITH NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY ("NYSERDA") FOR FUNDING PHASE 1 OF IMPLEMENTATION OF THE INTEGRATED ENERGY DATA RESOURCE ("IEDR") PROGRAM**

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WHEREAS, the New York State Public Service Commission ("Commission") has established Integrated Energy Data Resource by Order dated February 11, 2021; and

WHEREAS, cooperation and coordination of development of useful energy data collection and analysis tools with NYSERDA will further LIPA's and NYSERDA's mutual goal of achieving the State's clean and affordable energy goals; and

**WHEREAS, LIPA and NYSERDA are in the process of negotiating an MOU regarding funding LIPA's share of NYSERDA's budget for Phase 1 of the IEDR implementation.**

**WHEREAS, the total cost of Phase 1 contribution by LIPA is calculated to be no more than \$1,578,632.**

**NOW, THEREFORE, BE IT RESOLVED, that the Oversight and Clean Energy Committee hereby recommends that the Board authorize the Chief Executive Officer or his designee to execute and effect an MOU with NYSERDA consistent with the terms of the accompanying memorandum, and to perform such other acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or his designee, to implement LIPA's participation in the development of IEDR and to contribute to LIPA's share of NYSERDA's budget for the development of Phase 1 of IEDR.**

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*Chair Fischl stated that the next item on the agenda was the Recommendation to Consideration of Authorization to Investigate LIPA's Rights under Schedule F of the 1997 Merger Agreement be presented by Anna Chacko.*

*Ms. Chacko presented the following action item and took questions from the Trustees:*

### **Requested Action**

The Oversight and Clean Energy Committee (the "Committee") of the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is being asked to recommend that the Board authorize the Chief Executive Officer or his designee to investigate and, as appropriate, exercise LIPA's rights under Schedule F of the 1997 Merger Agreement.

### **Background**

In 1998, LIPA purchased the Long Island Lighting Company ("LILCO") pursuant to the Merger Agreement, dated June 26, 1997 ("Merger Agreement"). National Grid Generation LLC ("National Grid") is one of the successors in interest with obligations under the Merger Agreement.

LILCO's generation plants were transferred to KeySpan Generation LLC, now National Grid. Pursuant to Schedule F of the Merger Agreement, LIPA has several rights, including the right to purchase or lease certain land located at certain of National Grid's generation plants for its own generation facilities and a right of first refusal before National Grid Generation can sell its generating facility sites. In anticipation of LIPA issuing a Request For Proposals for the development of storage facilities ("Storage RFP"), LIPA may include certain generating facility sites which are the subject of Schedule F as potential storage development sites in the Storage RFP ("Schedule F Sites").

## Discussion

Recognizing that conducting a competitive Storage RFP is in the interest of Long Island electric customers and will facilitate efficiently and effectively achieving the State's clean energy goals, LIPA Staff proposes that LIPA take appropriate steps to determine whether certain generating facility sites which are the subject of Schedule F are suitable as potential storage development sites and should be included within the scope of the Storage RFP.

## Recommendation

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

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

### **RECOMMENDATION TO AUTHORIZE THE INVESTIGATION OF LIPA'S RIGHTS UNDER SCHEDULE F OF THE 1997 MERGER AGREEMENT TO PURCHASE OR LEASE PROPERTY**

WHEREAS, LIPA and National Grid Generation LLC ("National Grid"), as successor in interest to BL Holdings Corp., are parties to the Merger Agreement, dated June 26, 1997, among BL Holding Corp., Long Island Lighting Company, Long Island Power Authority and LIPA Acquisition Corp. ("Merger Agreement"); and

WHEREAS, the Merger Agreement gives LIPA rights, defined in Schedule F to the Merger Agreement, with respect to acquiring certain National Grid's generating facilities; and

WHEREAS, the Authority is considering including certain National Grid generating facility sites subject to Schedule F of the Merger Agreement, in the scope of its upcoming request for proposals for development of battery storage on Long Island ("Storage RFP").

NOW, THEREFORE, BE IT RESOLVED, that the Oversight and Clean Energy Committee hereby recommends that the Board authorize the Chief Executive Officer or his designee to take all actions necessary or advisable to investigate for the purposes of the Storage RFP, and, as appropriate, exercise all LIPA's rights under Schedule F of the 1998 Merger Agreement, including the right to purchase or lease generating facility sites from National Grid.

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*Chair Fischl stated that the last item on the agenda was the Committee's Annual Self Report to the Board and Review of the Committee's Charter to be presented by Bobbi O'Connor.*



*Ms. O'Connor presented the Committee's Annual Self Report to the Board and Review of the Committee's Charter and took questions from the Trustees.*

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*Chair Fischl then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 9:52 a.m.*

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