



Status of Implementation Plans for Board Recommendations

August 11, 2021

SUMMARY STATUS OF RECOMMENDATIONS

Status of Project Implementation Plans for LIPA Board Recommendations

(as of August 2021)

Findings	Adopted	Total #	Complete & Under Review	In Progress	Plans Rejected and Outstanding				Deferred	Plans Due
					Dec.	Jan.	Feb.	May		
Isaias Task Force	11/18/20	79	20	35	7	2	6	-	8	24
Risk Management	12/16/20	8	1	7	-	-	-	-	-	-
Operating Budget	12/16/20	3	2	1	-	-	-	-	-	-
Real Estate Management	1/27/21	5	-	5	-	-	-	-	-	-
Inventory Management	2/24/21	24	1	17	-	-	-	6	-	6
Collections Management	2/24/21	2	-	2	-	-	-	-	-	-
Asset Management	3/29/21	3	-	1	-	-	-	-	1	2
Affiliate Services	3/29/21	3	-	3	-	-	-	-	-	-
Strategic Planning	4/28/21	1	-	-	-	-	-	-	-	1
IT System Modernization	4/28/21	2	-	-	-	-	-	-	-	2
Capital Budget	5/19/21	1	-	1	-	-	-	-	-	-
Work Management	5/23/21	8	-	-	-	-	-	-	-	8
Small Generator Interconnection	8/11/21	7	-	-	-	-	-	-	-	7
Data and Information Access	8/11/21	1	-	-	-	-	-	-	-	1
Total		147	24	72	7	2	6	6	9	51

The Board has directed PSEG Long Island management to implement **147 recommendations** to improve PSEG Long Island operations

- **24 recommendations are complete** and pending LIPA review
- The Board has **adopted 72 implementation plans** and implementation is in progress
- **21 implementation plans** have been **rejected and not resubmitted**
- **51 PSEG Long Island plans to be considered** at the Board's September meeting

The Board will receive **quarterly reports** on the implementation of each plan, with independent review and validation by LIPA staff



Isaias Task Force Recommendations

ISAIAS TASK FORCE RECOMMENDATIONS

- PSEG Long Island did not submit any ITF related PIPs in August
- ITF PIPs still outstanding:
 - PSEG Long Island has yet to submit one Tier 2 PIP
 - PSEG Long Island has not submitted revised PIPs for 15 recommendations the Board has previously considered and provided comments on at the December, January, and February meetings

STATUS OF REMEDIATION OF PSEG LONG ISLAND COMMUNICATION AND OMS

- PSEG Long Island has completed an end-to-end system test of the communications and Outage Management System (v 5.5)
- This is progress and systems are no doubt in better shape than last year
- LIPA is proceeding with independent verifying and validating of the test of v 5.5 and working with PSEG Long Island on logistics
- PSEG Long Island has indicated it will implement Outage Management System (v 6.7) in the fall after storm season



Capital Budgeting Improvements

RECOMMENDATIONS FOR CAPITAL BUDGETING IMPROVEMENTS

- The Capital Budget Process Improvement Recommendations were developed following LIPA and PSEG Long Island efforts to improve the Operating Budget development and oversight process
 - Capital Budgets are routinely in excess of the funds expended
 - Management Audits have pointed to needed reforms in areas that contribute to the development and management of capital projects and the Capital Budget
- An improved process governing Capital Budget development and Capital Project review and approval, including managing changes during the year, will enhance transparency and accountability of customer funds and ensure adequate information flow to LIPA to conduct oversight on behalf of our customers.
- Elements of the Project Implementation Plan includes:
 - Submission of Project Justification Descriptions (“PJDs”) for all projects in the Capital Budget, including for projects added during the Capital Budget year
 - Annual updates for PJDs, especially if there are changes to scope, schedule, and cost estimates
 - Improved reporting and transparency on projects experiencing changes during the year
 - Clarification of “carry-over” procedures, where Capital Budget funds are shifted from one year to the next in alignment of scope that was delayed due to reasons beyond PSEG Long Island’s reasonable control
 - Establishing a joint LIPA and PSEG Long Island working group to further improve PJDs and project transparency



Small Generator Interconnection

RECOMMENDATIONS FOR SMALL GENERATOR INTERCONNECTION

1. **Independent Review of Escalated Cases:** PSEG Long Island should ensure an independent review of escalated interconnection cases by changing the organizational placement of the Interconnection Ombudsperson.
2. **Improve Customer Experience:** PSEG Long Island should leverage the portal to provide proactive emails and updates on upcoming activities that require coordination between PSEG Long Island and the customer such as meter installation.
3. **Provide new channels for online payment options:** PSEG Long Island should allow customers to provide payment quicker and eliminate delays associated with mailing a check or checks expiring before they can be cashed.
4. **Evaluate interconnection project cost sharing options:** PSEG Long Island should develop a method to equitably share costs for network upgrades to replace the current process for charging the customer that pushes the capacity over the limit for a circuit. PSEG Long Island should determine a method that is consistent with other New York utilities.
5. **Integrate the Interconnection Online Portal:** PSEG Long Island should advance the integration the interconnection portal with its enterprise systems to improve the system implementation and build an analytics platform to automate the technical screening process.
6. **Leverage AMI technology to monitor system performance:** PSEG Long Island should leverage AMI technology to monitor actual DER production and alert customers if their systems are not performing as expected.
7. **Leverage the PSEG Long Island Interconnection Working Group:** PSEG Long Island should prioritize upgrades or modifications to the SGIP with the developers who are participants of the Interconnection Working Group.



Data and Information Access

RECOMMENDATIONS FOR DATA AND INFORMATION ACCESS

- Section 4.11(A), System Information and Computer Database, of the Amended and Restated Operations Services Agreement (“OSA”), stipulates that “Service Provider shall establish, maintain an information system and provide real-time retrieval for LIPA’s review to the extent practicable
- Furthermore, the term-sheet between PSEG Long Island and LIPA dated June 26, 2021, specifies that prior to the system separation, the Service Provider will provide LIPA and its representatives the same real-time access, where applicable, as the Service Provider and its Affiliates
- During the past several years, LIPA had the ability to access PSEG Long Island systems on an as-requested basis. However, due to the complexity of the access procedures, availability of training and the organization of data across disparate systems, the usefulness of such access provisions has been limited

RECOMMENDATIONS FOR DATA AND INFORMATION ACCESS

- LIPA staff believes that the development of a Standardized Data Access Platform would provide seamless and effective centralized access to organization-wide financial, operational, and performance data to facilitate PSEG Long Island's management decision-making capability as well as LIPA and DPS' oversight
- LIPA Staff recommends that PSEG Long Island develop a Project Implementation Plan to develop a Data Access Platform consisting of an enterprise-wide data warehouse, a broader data lake, and provisioning and development of tools to support reporting and analytics
- The Project Implementation Plan should be delivered no later than September 10, 2021, to deliver the production system (Phase I) no later than December 31, 2022