Implementation of Board Recommendations on Strategic Planning

August 11, 2021
• Long-term strategic planning is an essential element of utility governance and management.

• Strategic planning provides for:
  • proper setting of objectives,
  • prioritization of projects,
  • alignment among stakeholders, and
  • accountability for promised results.

• Good strategic planning requires:
  • long-range plans for each key area of the business, and
  • a process for coordinating long-range plans with shorter-term work plans and associated budgets.
In April 2021, the LIPA Board adopted recommendations directing PSEG Long Island to develop five-year roadmaps for the transmission and distribution ("T&D"), information technology, and customer service functions.

The five-year roadmaps are expected to include:

- Evaluation of the current state;
- Articulation of an end state vision;
- Identification of the projects necessary to close the gap;
- A cost-benefit analysis for each project;
- The schedule for and sequencing of projects;
- Dependency on or interaction with projects initiated by other departments; and
- Budget requirements for project implementation and operations.
PATH FORWARD – ROLE OF THE BOARD

• The Board’s Policies establish high level goals for key areas of the business

• Board Working Groups will review the Mission and Vision and Board Policies in areas where the first set of strategic roadmaps are due in March 2022
  • Mission and Vision
  • Board Policy on T&D
  • Board Policy on Customer Service

• Meetings will have third party facilitators

• LIPA’s subject matter experts will provide technical support to the Board Working Groups

• Outcome of the Board Working Groups:
  • Vision of where the Board wants the utility to be in 5 or 10 years
  • Broad goals to be achieved in the areas of T&D and Customer Service
PATH FORWARD – ROLE OF LIPA STAFF

• Develop strategic priorities that support the high-level goals established by the LIPA Board

• Develop a view of where the 5-year roadmaps should take us and the major milestones or projects needed to get there

• Meet with PSEG Long Island to share views on the objectives of the roadmaps and agree on strategic priorities for each

• Monthly meetings with PSEG Long Island to monitor progress on development of the 5-year roadmaps including:
  • projects that support the priorities;
  • cost-benefit justification; and
  • budget feasibility of prioritized projects.
NEXT STEPS

• First and second meetings of each Board Working Group in August and September

• LIPA senior team begins discussions of our strategic priorities for the utility in late August
  • How do we think we can achieve the Board’s vision?
  • What do we expect to see in PSEG Long Island’s strategic roadmaps?

• Board approval of PSEG Long Island Strategic Planning PIP in September

• Final meetings of each Board Working Group in October

• Kick off meeting with LIPA and PSEG Long Island senior teams to review each side’s preliminary findings regarding long-term strategic priorities in October

• Meetings of senior teams continue until March 31, 2022 due date for 5-year roadmaps for T&D, Customer Service, and IT

• 5-Year Roadmaps will be reviewed by LIPA Board and will be the basis for 2023 Budget requests