

## **FOR CONSIDERATION**

September 22, 2021

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**REQUEST:** Approval of the Annual Report and Amendments on the Board's Policy on Strategic Planning and Oversight

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### **Requested Action**

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to adopt a resolution: (i) approving the annual report on the Board Policy on Strategic Planning and Oversight (the "Policy"); (ii) finding that LIPA has complied with the Policy; and (iii) approving certain amendments to the Policy, which resolution is attached hereto as **Exhibit "A"**.

### **Background**

LIPA utilizes contracts with service providers to provide transmission and distribution operations services, fuel and power procurement, and power supply resources. Under the LIPA Reform Act and the Amended and Restated Operations Services Agreement (the "OSA"), LIPA has oversight rights and certain responsibilities with respect to those contracts, the operation and maintenance of the Long Island electric grid, and the generation assets under contract to LIPA.

By Resolution No. 1409, dated March 29, 2018, the Board adopted the Policy with the purpose of establishing the Board's expectations for oversight by LIPA of the "service providers in a systematic manner that meets the needs and protects the interests of LIPA's customers". By Resolution No. 1461, dated January 23, 2019, the Board approved amendments to the Policy related to LIPA's direct operations. By resolution No. 1547, dated July 22, 2020, the Board approved amendments to the Policy to, among other things, better define the roles of the Board and management in LIPA's strategic planning activities.

### **Compliance with the Policy**

Staff recommends that, for the reasons set forth below, the Board find that LIPA complied with the Policy over the last year.

The Policy requires that the Chief Executive Officer annually report to the Board on the Policy, including: (i) work plans for LIPA Staff for each year, including those related to oversight; (ii) accomplishments versus the work plan for the prior year, including those related to oversight; (iii) sufficiency of LIPA Staff and resources to achieve LIPA's Mission, Vision, and Board Policies; and (iv) LIPA's Oversight Framework.

2021 Work Plan Objectives, Including Oversight Activities:

- Attached as **Exhibit “D”** is the 2021 Work Plan, previously reviewed and approved by the Board on January 27, 2021. The 2021 Work Plan describes the activities that LIPA Staff intends to undertake to further LIPA’s Mission, Vision, Board Policies, and Oversight responsibilities.
- The 2021 Work Plan includes activities for which LIPA has direct responsibility, like finance and legal, and oversight activities for functions for which LIPA’s service providers, including PSEG Long Island and National Grid have direct responsibility.
- The 2021 Work Plan includes 49 projects Staff believes will move LIPA closer to the Board’s vision to be **clean**, achieving carbon-free reliable electricity by 2040, **lean**, providing electricity at the lowest possible cost, and **customer-first**, focusing on our customers’ needs.

2020 Work Plan Accomplishments, Including Oversight Activities:

- Attached as **Exhibit “E”** is the 2020 Accomplishments Report, previously reviewed and approved by the Board on January 27, 2021. The 2020 Accomplishments Report provides a summary of LIPA Staff’s 2020 accomplishments toward meeting the expectations of the LIPA Trustees, satisfying LIPA’s Oversight responsibilities, and serving the needs of LIPA’s customers.
- The 2020 Accomplishments Report documents Staff’s progress on the 37 initiatives identified in the 2020 Work Plan as activities that would further the Board’s policies in LIPA’s key performance areas such as oversight, customer service, reliability, clean energy and affordability.
- As discussed in more detail in the 2020 Accomplishments Report, Staff completed 24 of the 37 goals and made significant progress on the remaining 13, with additional work to be completed during 2021.

Sufficiency of LIPA Staff and Resources to Achieve LIPA’s Mission, Vision, Board Policies and Oversight Objectives:

- On August 4, 2020, Tropical Storm Isaias hit the Long Island service territory resulting in approximately 646,000 customer outages. On August 5, LIPA initiated an independent review of the root causes that led to the lapses in PSEG Long Island’s storm response (the “Isaias Task Force”). To address the deficiencies identified by the Isaias Task Force since August 2020, LIPA’s oversight going forward will include independent verification and validation across the organization. Those efforts will require additional staffing and the budget proposal that will be presented to the Board in November will include that increased staffing plan.

Oversight Framework:

- LIPA's Oversight Framework consists of this Policy, the Oversight and Metrics Committee, and the Budget and Rates Committee, and is supported by the activities of other boards, committees, and functions, including the Enterprise Risk Management Committee, Executive Committee, Internal Audit, Management Review Board, Policy Advocacy Committee, and Power Supply Risk Management Committee. The Oversight Framework:
  - Prioritizes Oversight Activities, including the frequency and appropriate level of Oversight, by risk, materiality, and other measures of importance;
  - Maintains appropriate documentation of Oversight Activities;
  - Incorporates insights from LIPA's Oversight Activities into annual budgets, projects, performance metrics, audits, and enterprise risk management activities;
  - Balances the benefits and costs of proposed plans and programs;
  - Fosters continuous improvement, innovation, benchmarking, and industry best practice, with a view to minimize cost and improve service quality; and
  - Refers Oversight observations to Service Providers for resolution.

### **Annual Review of the Policy**

Staff proposes changes to the Policy, as detailed below and reflected in the revised Policy in **Exhibit "B"**.

In April 2021, the LIPA Board adopted recommendations directing PSEG Long Island to initiate development of five-year roadmaps for the following five business scopes: transmission and distribution, information technology, customer service functions, power supply and clean energy, and business services. This obligation has been incorporated into the Second Amended and Restated Operations Services Agreement with PSEG Long Island, which is still under negotiation.

The five-year roadmaps should evaluate the current state, articulate an end state vision, and identify the projects necessary to close the gap. The end state vision for the functions should take into account industry trends and customer needs and should align with the strategic direction articulated in the policies adopted for the utility by the Board. The roadmap should also include (i) a cost-benefit analysis for each project and identify (ii) the schedule for and sequencing of projects; (iii) dependency on or interaction with projects initiated by other departments; and (iv) budget requirements for project implementation and operations. The roadmap should include PIPs with greater detail for each of the projects.

In addition, as part of LIPA's continuous improvement efforts, LIPA will be developing five-year roadmaps for the key areas of the business for which it has primary responsibility: finance and oversight.

Staff recommends amending the Policy to contemplate the work to be done related to development and periodic review and update of these Strategic Roadmaps.

Additionally, certain other non-material wording changes are proposed.

### **Recommendation**

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

### **Attachments**

- Exhibit "A"** Resolution
- Exhibit "B"** Policy on Strategic Planning and Oversight --redline
- Exhibit "C"** Policy on Strategic Planning and Oversight --clean
- Exhibit "D"** 2021 Work Plan
- Exhibit "E"** 2020 Accomplishments Report

**RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE  
BOARD POLICY ON OVERSIGHT AND LIPA OPERATIONS**

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**WHEREAS**, the Board Policy on Oversight and LIPA Operations (the “Policy”) was most recently reviewed and approved by the Board of Trustees by Resolution No. 1547, dated July 22, 2020; and

**WHEREAS**, the Board has received the annual Staff report on compliance with the Policy; and

**WHEREAS**, the Board has reviewed the Policy and approves the changes to the Policy as recommended by Staff.

**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the accompanying memorandum, the Board hereby finds that LIPA has complied with the Policy for the period since the adoption of the Policy, approves the annual report to the Board, and approves updates to the Policy, as recommended herein.

Dated: September 22, 2021

Board Policy: \_\_\_\_\_ Strategic Planning and Oversight

Policy Type: \_\_\_\_\_ ~~Operating~~ Governance

Monitored by: \_\_\_\_\_ Board of Trustees

Board Resolution: ~~Resolution~~ \_\_\_\_\_ #1409, approved March 29, 2018,  
\_\_\_\_\_ #1461, amended January 23, 2019,  
\_\_\_\_\_ #1547, amended July 22, 2020  
\_\_\_\_\_ #XXXX, amended September 22, 2021

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### Board Policy on Strategic Planning and Oversight

It is the policy of the Long Island Power Authority ("LIPA") to conduct its affairs and oversee its Service Providers in a manner that meets the needs and protects the interests of LIPA's customers.

~~Service Providers in a manner that meets the needs and protects the interests of LIPA's customer-owners.~~

Key definitions for the purposes of this Policy are:

#### **Mission**

- Purpose is a concise statement of why LIPA exists, sometimes also referred to as ~~Purpose~~ Mission.
- **Vision** is a realistic and attainable idea of what LIPA seeks to become within a defined period of time (e.g., in 5 years).
- **Board Policies** are the Policies related to key areas of LIPA's business, adopted by the Board of Trustees, that provide additional guidance to LIPA's management related to LIPA's ~~Mission~~ Purpose and Vision. The current versions of the Board Policies can be found on LIPA's website.
- ~~Strategy is~~ Strategic Priorities are a multi-year view of the key themes or categories of initiatives (e.g., ~~Clean, Lean, and Customer First~~) that management must execute to further the ~~Mission~~ Purpose, Vision, and Board Policies adopted by LIPA's Board. These are articulated as long-term, utility-wide strategic priorities.
- Strategic Roadmaps are five-year plans for key business areas to translate the utility-wide strategic priorities into a prioritized set of well-defined projects.
- **Work Plan** is the annual translation of LIPA's ~~Mission~~ Purpose, Vision, Board Policies, and ~~Strategy~~ Strategic Roadmaps into performance metrics, budgets, ~~projects, and~~ Oversight activities; ~~and performance metrics~~ for a twelve-month period.
- **Oversight** refers to the actions LIPA takes to monitor and review the budgets, plans, processes, systems, programs, projects, and services of its Service Providers.
- **Oversight Framework** refers to the structures and processes used by LIPA to ensure effective Oversight.

### Strategic ~~Plan and the Work Plan~~ Planning Process

LIPA's ~~Strategic Plan involves~~ strategic planning process includes several ~~activities, including:~~

- ~~Defining LIPA's Mission~~ complementary elements, defined below, that articulate strategy at different levels of granularity and across different time horizons. These elements should be collectively coherent, ensuring strategic alignment from the Board-defined Purpose, Vision;
- ~~Development, and periodic review of Board Policies to provide additional guidance to LIPA management in key areas related to LIPA's Mission and Vision;~~

- ~~Identification of a multi-year Strategy for management to achieve LIPA's Mission, Vision, and Board Policies;~~
- ~~Creation and execution of the annual Work Plan that translates LIPA's Strategy into budgets, projects, Oversight activities and performance metrics for a twelve-month period; and~~ and budget.
- ~~Reporting to LIPA's Board by management on each Board Policy and on Strategy and the annual Work Plan.~~

**LIPA's Purpose and Vision** – The Board of Trustees is responsible for:

- ~~defining LIPA's Mission and Vision, along with its expectations in key operational areas in the form of Board Policy;~~
- 1. and periodically reviewing Board Policy reports, which are provided to the Board on a regular basis in accordance with the manner prescribed in each Board Policy; and LIPA's Purpose and Vision.  
communicating its expectations to LIPA management in the form of \_\_\_\_\_
- ~~Board Policy.~~

LIPA's Chief Executive Officer ("CEO") **Policies** – The Board of Trustees is responsible for ~~achieving the expectations communicated by the Board in its Policies. Specifically, LIPA's CEO is responsible for:~~

- 2. Supporting the Board in Establishing LIPA's Mission, Vision, ~~the development and periodic review of~~ Board Policies – ~~LIPA's CEO works with the Board to to provide the support~~ additional guidance to management on key business, operating, and analysis necessary for the Board to make informed choices about LIPA's Mission and Vision, as communicated through Board Policies. The Board's governance areas. The Board Policies are necessarily constrained by LIPA's current state, resources, industry trends, laws, regulations, and other factors. ~~The~~ LIPA's CEO supports the Board by providing management's assessment of these factors and analysis of the tradeoffs between competing objectives in the ~~Board's~~ Board Policies (e.g., customer enhancements versus affordability).

**Reviewing and Modifying LIPA's Strategy** – ~~LIPA's CEO works with the management team and Service Providers to review LIPA's Strategy not less than every three years. LIPA's Strategy, while periodically reviewed~~

- 3. Long-term, Utility-wide Strategic Priorities – LIPA's CEO, in consultation with its Service Providers, is responsible for defining the long-term strategic priorities that integrate the strategic direction articulated in LIPA's Purpose, Vision, and Board Policies, take into account industry trends and evolving customer needs, and incorporate insight and inputs from stakeholders and industry thought leaders. Long-term priorities, while reviewed not less than every other year, will change infrequently and only with significant changes to LIPA's operating environment, legal and regulatory changes, and the Board's expectations, as communicated in the form of Board Policy.

### **Creating**

- 4. **Five-year Strategic Roadmaps** – LIPA's CEO, in consultation with its Service Providers, will develop five-year roadmaps for key business areas to translate the long-term strategic priorities into a prioritized set of well-defined projects. The roadmaps should evaluate the current state of the business area, articulate an end state vision consistent with the Board Policies and Strategic Priorities, and identify the projects necessary to close the gap. Each roadmap will include:
  - Prioritized list of projects with associated business rationale
  - Cost-benefit analysis for each project
  - Schedule for and sequencing of projects
  - Dependency on or interaction with projects initiated by other departments
  - Budget requirements for project implementation and operations

The ~~Executing~~ schedule below defines the timeline for development of initial Roadmaps for each business area. Thereafter, the five-year Roadmaps will be updated on a biennial cycle.

- Five-year Roadmaps for the transmission and distribution (“T&D”), information technology (“IT”), and customer service functions no later than March 31, 2022.
- Five-year Roadmaps for oversight and finance functions by March 31, 2022.
- Five-year Roadmaps for the business services and power supply and clean energy programs no later than March 31, 2023.
- Each Roadmap will be reviewed and approved by the LIPA Board.

- ◆ **5. LIPA’s Annual ~~Work Plans~~ Workplan** – LIPA’s CEO ~~translates LIPA’s Mission, Vision, Board Policies, and Strategy~~ will translate the Strategic Priorities and business area five-year Strategic Roadmaps into annual performance metrics, budgets, ~~projects, and~~ Oversight activities, ~~and performance metrics for the Board’s consideration~~, which together constitute the annual Work Plan. The CEO is responsible both for creating the Work Plan for the Board’s review and ensuring it is executed in a manner that delivers the intended results.

~~LIPA’s CEO will consult with and report to the Board on:~~

- ~~• The outcome of its Strategy reviews not less than every three years;~~
- ~~• The objectives of LIPA’s annual Work Plans for the coming year and the accomplishments of LIPA’s Work Plan for the prior year; and~~
- ~~• Any current or projected staffing and resource constraints that may limit LIPA’s ability to achieve the Mission, Vision, and Board Policies adopted by the Board.~~

## Oversight Objectives

LIPA’s business model involves significant outsourcing to Service Providers, which places heightened importance on LIPA’s Oversight in the achievement of its ~~Mission and Purpose~~, Vision, and ~~the Board’s Board~~ Policies. The Objectives of LIPA’s Oversight (“Oversight Objectives”) are to ensure that:

- The Board’s Policies, Strategic Roadmaps, and ~~LIPA’s Strategy~~ Work Plans are implemented as intended, in accordance with the terms of LIPA’s contractual relationships, and that LIPA and its Service Providers advance the ~~Mission Purpose~~ and Vision adopted by the Board of Trustees;
- LIPA’s Service Providers achieve reasonable results in accordance with expectations in exchange for the management fees and consideration paid for their services;
- LIPA’s budgets, including those of the Service Providers, are reasonable and provide value for money to our ~~customer owners; customers;~~
- The business processes and systems outsourced or provided to Service Providers operate to industry standards and best practices;
- Service Providers implement continuous improvement initiatives, innovation, and benchmarking to maximize value to customers and improve service quality;
- Enterprise risks, including those managed by Service Providers, are identified, monitored, managed, and mitigated; and
- Service Providers comply with applicable policies, laws, regulations, contract standards, and ethical standards.

## Oversight Responsibilities

The Board of Trustees ~~is responsible~~ responsibilities for ~~periodically~~ Oversight are:



- Defining LIPA's Purpose and Vision and developing Board Policies for key areas of LIPA's business, which collectively establish the strategic and normative framework upon which Oversight activities are based;
- Reviewing and approving Five-year Strategic Roadmaps for key business areas;
- Reviewing and approving annual Workplans, which include performance metrics, budgets, and Oversight activities;
- Reviewing and approving implementation plans for certain individual projects;
- Periodically monitoring implementation progress and operational performance and associated Service Provider incentives; and
- Periodically reviewing the Oversight Framework implemented by LIPA's CEO~~and the Oversight activities included in LIPA's annual Work Plan. LIPA's CEO is responsible for implementing.~~

The LIPA CEO's responsibilities for Oversight are:

- Implementing an Oversight Framework consistent with the Oversight Objectives articulated ~~by the Board~~ in this Policy;

### **Oversight Activities**

~~LIPA's CEO will achieve the Board's Oversight Objectives through an Oversight Framework that:~~

- ~~Prioritizes~~Prioritizing Oversight activities, including the frequency and appropriate level of Oversight, by risk, materiality, and other measures of importance;
- ~~Maintains~~Balancing the benefits and costs of Oversight activities;
- Maintaining appropriate documentation of Oversight activities;
- ~~Incorporates~~Referring Oversight observations to Service Providers for resolution; and
- Incorporating insights from LIPA's Oversight activities into the annual ~~budgets, projects, performance metrics~~Work Plan, audits, and enterprise risk management activities;
- ~~Balances the benefits and costs of proposed plans and programs;~~
- ~~Fosters continuous improvement, innovation, benchmarking, and industry best practice;~~

### **Management Reporting**

- ~~The CEO or his or her designee will report annually to the Governance Committee of the Board of Trustees on compliance with a view to minimize cost and improve service quality; and~~
- ~~Refers Oversight observations to Service Providers for resolution.~~

~~Related to Oversight,~~the key provisions of this Policy. LIPA's CEO will consult with and report to the Board on:

- The objectives of LIPA's annual Work Plan for the coming year and the accomplishments of the prior year Work Plan, including Oversight activities;
- The status of the five-year Strategic Roadmaps;
- The Oversight Framework implemented by LIPA's management team; and
- ~~The~~ objectives~~sufficiency~~ of ~~LIPA's annual Work Plans for the coming year~~LIPA staff and ~~the accomplishments of LIPA's Work Plan for the prior year related~~resources to achieve LIPA's Purpose, Vision, Board Policies, and Oversight.
- ~~The CEO or his or her designee will report annually to the Board of Trustees on compliance with the key provisions of the Policy~~objectives.

Board Policy:	<b>Strategic Planning and Oversight</b>
Policy Type:	<b>Governance</b>
Monitored by:	<b>Board of Trustees</b>
Board Resolution:	<b>#1409, approved March 29, 2018, #1461, amended January 23, 2019 #1547, amended July 22, 2020 #XXXX, amended September 22, 2021</b>

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### **Board Policy on Strategic Planning and Oversight**

It is the policy of the Long Island Power Authority ("LIPA") to conduct its affairs and oversee its Service Providers in a manner that meets the needs and protects the interests of LIPA's customers.

Key definitions for the purposes of this Policy are:

- **Purpose** is a concise statement of why LIPA exists, sometimes also referred to as Mission.
- **Vision** is a realistic and attainable idea of what LIPA seeks to become within a defined period of time (e.g., in 5 years).
- **Board Policies** are the Policies related to key areas of LIPA's business, adopted by the Board of Trustees, that provide additional guidance to LIPA's management related to LIPA's Purpose and Vision. The current versions of the Board Policies can be found on LIPA's website.
- **Strategic Priorities** are a multi-year view of the key themes or categories of initiatives that management must execute to further the Purpose, Vision, and Board Policies adopted by LIPA's Board. These are articulated as long-term, utility-wide strategic priorities.
- **Strategic Roadmaps** are five-year plans for key business areas to translate the utility-wide strategic priorities into a prioritized set of well-defined projects.
- **Work Plan** is the annual translation of LIPA's Purpose, Vision, Board Policies, and Strategic Roadmaps into performance metrics, budgets, and Oversight activities for a twelve-month period.
- **Oversight** refers to the actions LIPA takes to monitor and review the budgets, plans, processes, systems, programs, projects, and services of its Service Providers.
- **Oversight Framework** refers to the structures and processes used by LIPA to ensure effective Oversight.

### **Strategic Planning Process**

LIPA's strategic planning process includes several complementary elements, defined below, that articulate strategy at different levels of granularity and across different time horizons. These elements should be collectively coherent, ensuring strategic alignment from the Board-defined Purpose, Vision, and Policies to the annual Work Plan and budget.

1. **LIPA's Purpose and Vision** – The Board of Trustees is responsible for defining and periodically reviewing LIPA's Purpose and Vision.
2. **Board Policies** – The Board of Trustees is responsible for the development and periodic review of Board Policies to provide additional guidance to management on key business, operating, and governance areas. The Board Policies are necessarily constrained by LIPA's current state, resources, industry trends, laws, regulations, and other factors. LIPA's CEO supports the Board by

providing management's assessment of these factors and analysis of the tradeoffs between competing objectives in the Board Policies (e.g., customer enhancements versus affordability).

3. **Long-term, Utility-wide Strategic Priorities** – LIPA's CEO, in consultation with its Service Providers, is responsible for defining the long-term strategic priorities that integrate the strategic direction articulated in LIPA's Purpose, Vision, and Board Policies, take into account industry trends and evolving customer needs, and incorporate insight and inputs from stakeholders and industry thought leaders. Long-term priorities, while reviewed not less than every other year, will change infrequently and only with significant changes to LIPA's operating environment, legal and regulatory changes, and the Board's expectations, as communicated in the form of Board Policy.
4. **Five-year Strategic Roadmaps** – LIPA's CEO, in consultation with its Service Providers, will develop five-year roadmaps for key business areas to translate the long-term strategic priorities into a prioritized set of well-defined projects. The roadmaps should evaluate the current state of the business area, articulate an end state vision consistent with the Board Policies and Strategic Priorities, and identify the projects necessary to close the gap. Each roadmap will include:
  - Prioritized list of projects with associated business rationale
  - Cost-benefit analysis for each project
  - Schedule for and sequencing of projects
  - Dependency on or interaction with projects initiated by other departments
  - Budget requirements for project implementation and operations

The schedule below defines the timeline for development of initial Roadmaps for each business area. Thereafter, the five-year Roadmaps will be updated on a biennial cycle.

- Five-year Roadmaps for the transmission and distribution ("T&D"), information technology ("IT"), and customer service functions no later than March 31, 2022.
  - Five-year Roadmaps for oversight and finance functions by March 31, 2022.
  - Five-year Roadmaps for the business services and power supply and clean energy programs no later than March 31, 2023.
  - Each Roadmap will be reviewed and approved by the LIPA Board.
5. **LIPA's Annual Workplan** – LIPA's CEO will translate the Strategic Priorities and business area five-year Strategic Roadmaps into annual performance metrics, budgets, and Oversight activities for the Board's consideration, which together constitute the annual Work Plan. The CEO is responsible both for creating the Work Plan for the Board's review and ensuring it is executed in a manner that delivers the intended results.

### **Oversight Objectives**

LIPA's business model involves significant outsourcing to Service Providers, which places heightened importance on LIPA's Oversight in the achievement of its Purpose, Vision, and Board Policies. The Objectives of LIPA's Oversight ("Oversight Objectives") are to ensure that:

- The Board's Policies, Strategic Roadmaps, and Work Plans are implemented as intended, in accordance with the terms of LIPA's contractual relationships, and that LIPA and its Service Providers advance the Purpose and Vision adopted by the Board of Trustees;
- LIPA's Service Providers achieve reasonable results in accordance with expectations in exchange for the management fees and consideration paid for their services;
- LIPA's budgets, including those of the Service Providers, are reasonable and provide value for money to our customers;

- The business processes and systems outsourced or provided to Service Providers operate to industry standards and best practices;
- Service Providers implement continuous improvement initiatives, innovation, and benchmarking to maximize value to customers and improve service quality;
- Enterprise risks, including those managed by Service Providers, are identified, monitored, managed, and mitigated; and
- Service Providers comply with applicable policies, laws, regulations, contract standards, and ethical standards.

### **Oversight Responsibilities**

The Board of Trustees responsibilities for Oversight are:

- Defining LIPA's Purpose and Vision and developing Board Policies for key areas of LIPA's business, which collectively establish the strategic and normative framework upon which Oversight activities are based;
- Reviewing and approving Five-year Strategic Roadmaps for key business areas;
- Reviewing and approving annual Workplans, which include performance metrics, budgets, and Oversight activities;
- Reviewing and approving implementation plans for certain individual projects;
- Periodically monitoring implementation progress and operational performance and associated Service Provider incentives; and
- Periodically reviewing the Oversight Framework implemented by LIPA's CEO.

The LIPA CEO's responsibilities for Oversight are:

- Implementing an Oversight Framework consistent with the Oversight Objectives articulated in this Policy;
- Prioritizing Oversight activities, including the frequency and appropriate level of Oversight, by risk, materiality, and other measures of importance;
- Balancing the benefits and costs of Oversight activities;
- Maintaining appropriate documentation of Oversight activities;
- Referring Oversight observations to Service Providers for resolution; and
- Incorporating insights from LIPA's Oversight activities into the annual Work Plan, audits, and enterprise risk management activities.

### **Management Reporting**

The CEO or his or her designee will report annually to the Governance Committee of the Board of Trustees on compliance with the key provisions of this Policy. LIPA's CEO will consult with and report to the Board on:

- The objectives of LIPA's annual Work Plan for the coming year and the accomplishments of the prior year Work Plan, including Oversight activities;
- The status of the five-year Strategic Roadmaps;
- The Oversight Framework implemented by LIPA's management team; and
- The sufficiency of LIPA staff and resources to achieve LIPA's Purpose, Vision, Board Policies, and Oversight Objectives.



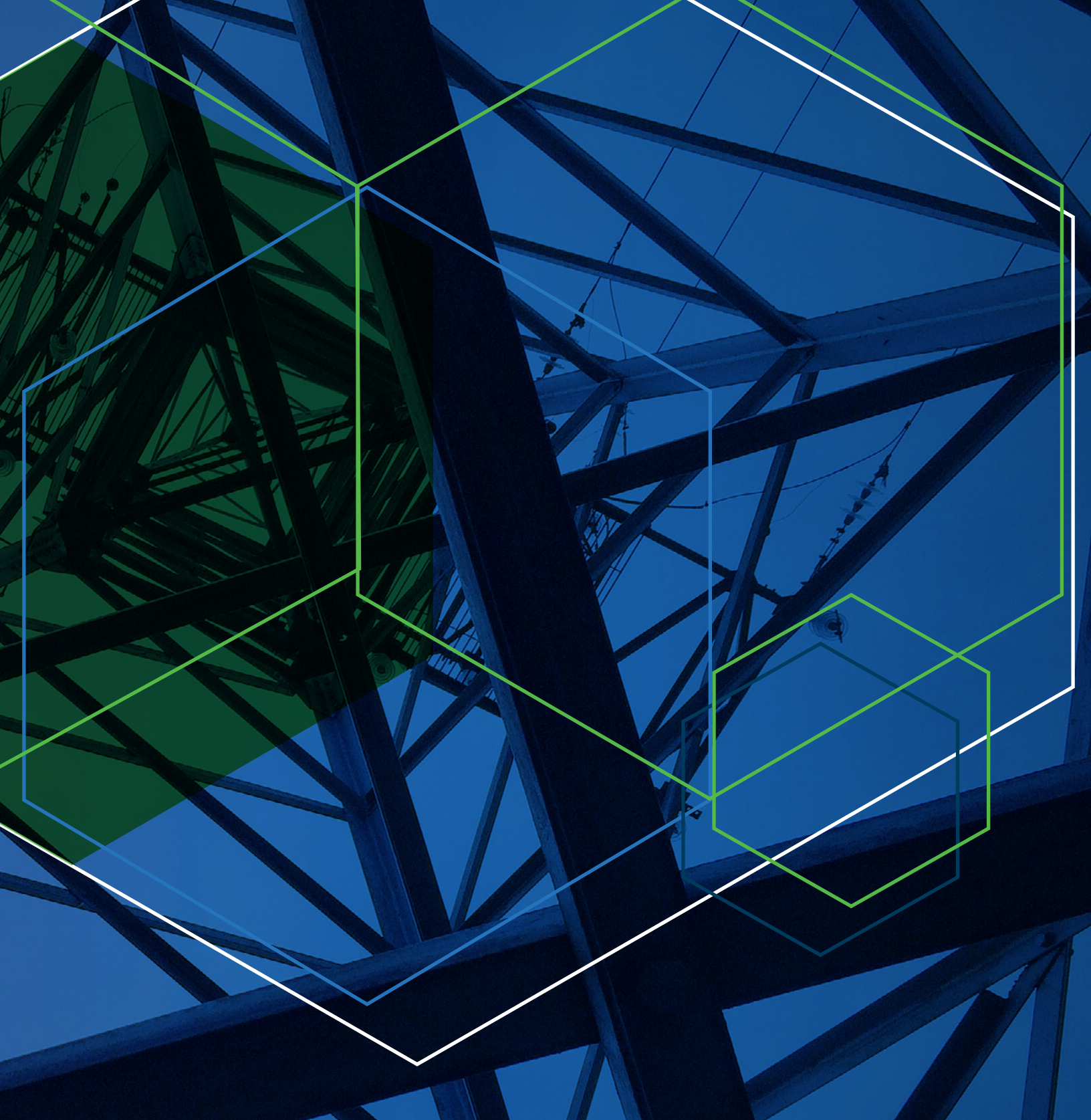


Exhibit "D"

# Annual Work Plan Report

2020-2021





customers

**1,023,221**

residential

**116,560**

commercial

2020 peak demand

**5,269**

megawatts

energy requirements

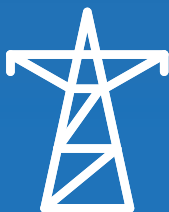
**20,104,072**

megawatt hours

generating capacity

**5,757**

megawatts



distribution system

**9,000**

miles overhead

**5,000**

miles underground

**189,000**

transformers

transmission system

**1,400**

miles

substations

**30**

transmission

**152**

distribution

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## MISSION STATEMENT

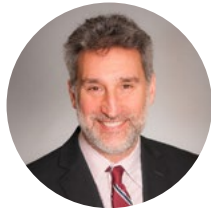
LIPA is a not-for-profit public utility with a mission to enable clean, reliable, and affordable electric service for our customers on Long Island and the Rockaways.

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## BOARD OF TRUSTEES



**Ralph V. Suozzi**  
Chairman of the Board



**Mark Fischl**  
Vice Chairman of the Board,  
Chair, Oversight & Clean  
Energy Committee



**Elkan Abramowitz**  
Chair, Governance,  
Planning, & Personnel  
Committee



**Sheldon L. Cohen**  
Chair, Finance & Audit  
Committee



**Drew Biondo**  
Trustee



**Mathew C. Cordaro,  
Ph.D.**  
Trustee



**Peter J. Gollon, Ph.D.**  
Trustee



**Laureen Harris**  
Trustee



**Ali Mohammed**  
Trustee

### GOVERNANCE MODEL

The Long Island Power Authority is governed by a local Board of Trustees. The Board supervises, regulates, and sets policy for LIPA. The Board consists of nine Trustees, five of whom are appointed by the Governor, two by the Temporary President of the State Senate, and two by the Speaker of the State Assembly.

The Trustees serve for staggered four-year terms. The LIPA Reform Act of 2013 requires that all Trustees reside on Long Island or in the Rockaways and have relevant utility, corporate board, or financial experience. Trustees are not compensated for their service.

### STRATEGIC DIRECTION BY THE BOARD

The Board has defined LIPA's mission as enabling clean, reliable, and affordable electric service for our customers. The Board has adopted a series of policies related to LIPA's mission, operations, and governance. For each Board Policy, the Board has specified required performance reports by management that allow the Board to monitor the Authority's performance relative to its policies.

For more information about the Board's Policies, please visit [lipower.org/mission](http://lipower.org/mission).



## EXECUTIVE MANAGEMENT



**Thomas Falcone**  
Chief Executive Officer



**Anna Chacko**  
General Counsel



**Mujib Lodhi**  
Chief Information Officer and  
Senior Vice President of  
Customer Experience



**Tamela Monroe**  
Chief Financial Officer



**Bobbi O'Connor**  
Chief Administrative  
Officer, Secretary to the  
Board of Trustees



**Rick Shansky**  
Senior Vice President,  
Operations Oversight



**Kenneth Kane**  
Senior Advisor  
for Oversight



**Justin Bell**  
Vice President, Public  
Policy and Regulatory  
Affairs



**James Miskiewicz**  
Deputy General Counsel



**Kathleen Mitterway**  
Vice President, Audit



**Donna Mongiardo**  
Vice President,  
Controller



**Barbara Ann Dillon**  
Director of Human  
Resources and Administration



**Jennifer Hayen**  
Director of  
Communications



**Thomas Locascio**  
Director of  
External Affairs

### OUR VISION: CLEAN, LEAN, AND CUSTOMER-FIRST

An electric utility for Long Island and the Rockaways that is focused on our customers' needs, providing clean, reliable energy, at the least possible cost.



# 1 | LIPA's Strategic Planning Process

LIPA's strategic planning process begins with its Board of Trustees. The Board approves LIPA's Mission and Vision and related Board Policies. These documents define the Board's aspirations for delivering electric service to customers and all significant aspects of the Trustee's expectations for LIPA's management team.

LIPA's Chief Executive Officer and management team are responsible for developing budgets, projects, oversight activities, and performance metrics to fulfill the Board's goals. The management team incorporates these plans into a multi-year Strategy with annual Budgets and Work Plans.

## **MISSION**

LIPA is a not-for-profit public utility with a mission to enable clean, reliable, and affordable electric service for our 1.1 million customers on Long Island and in the Rockaways.

## **VISION**

A trusted partner to our community, using innovation and continuous improvement to provide clean, reliable energy at the least possible cost. An industry leader known for our focus on our customers' needs.

## **BOARD POLICIES**

LIPA's Board Policies relate to critical areas of our business and guide LIPA's management related to achieving our Mission and Vision. The Board Policies are reviewed and monitored annually by the Board and revised as appropriate. The Board's Policies are available on LIPA's website.

## **STRATEGY**

LIPA's Clean, Lean, and Customer-First Strategy is a multiyear view of the key themes or types of initiatives that management must execute to further the Mission and Vision. The Strategy reflects an assessment of LIPA's current state and the types of activities necessary to achieve LIPA's Vision. LIPA's management translates our Strategy into Work Plans through an annual planning process.

## **WORK PLAN**

LIPA's annual Work Plan turns our Strategy into budgets, projects, oversight activities, and performance metrics. Management provides the Work Plan to the Board of Trustees at the beginning of each year. Progress made in completing the Work Plan projects is reported back to the Board after the end of each year. Work Plan projects may be related to LIPA operations or LIPA's oversight of our service provider, PSEG Long Island.

LIPA does all of this work in a manner that demonstrates its commitment to its core values of Service, Collaboration, and Excellence.

## 2 | Our Values

LIPA has three values that distinguish our utility and describe how our employees work every day:



### **Service**

In all our actions, we serve our customers, community, and the environment.

Behaviors:  
Responsible | Efficient  
Make Well-Informed Decisions



### **Collaboration**

We leverage the abilities of our colleagues and stakeholders to benefit our customers.

Behaviors:  
Embrace Diverse Perspectives  
Communicate Openly | Build Trust



### **Excellence**

We build on our successes, celebrate our wins, and learn from our mistakes.

Behaviors:  
Deliver on our Promises |  
Continuously Improve on our  
Performance

## 3

## An Overview

This annual report provides an overview of the accomplishments made on 2020 Work Plan projects. It also summarizes the projects LIPA's management intends to undertake in 2021 to continue towards the Board's aspirations for a Clean, Lean, and Customer-First utility for Long Island and the Rockaways.

For additional information regarding LIPA's financial position and results of operations, see LIPA's 2021 Budget.

Each year, LIPA's management team reports to the Board of Trustees on key accomplishments from the prior year and Work Plans for the coming year. The planning process ensures that LIPA and its service providers prioritize the activities that provide the most significant value to our customers and continue to move us towards the Board's goals for our customers and our service.

This annual report, along with the annual reports on each Board Policy, assists the Board in monitoring LIPA's activities and organizational progress towards the Board's Vision.

This report includes highlights of LIPA's 2020 accomplishments and planned projects for 2021. Appendices A and B contain the complete list of 2020 Accomplishments and 2021 Work Plan projects.



**Block Island Wind Farm,  
Rhode Island**



## 4 | 2020 Work Plan Accomplishments

The 2020 Work Plan identified 37 projects or activities to further LIPA's Vision and the Board's Policies in critical areas such as customer service, reliability, clean energy, and affordability. Through the end of 2020, LIPA staff has completed 24 of those 37 projects and made substantial progress on the remaining 13 initiatives. Some projects are multiyear activities. For multiyear projects, LIPA management monitors project milestones weekly to ensure that the project remains on schedule. LIPA also routinely adds projects throughout the year as circumstances emerge and change. The following are highlights of LIPA's performance in 2020.

### CLEAN: CARBON-FREE, RELIABLE ENERGY BY 2040

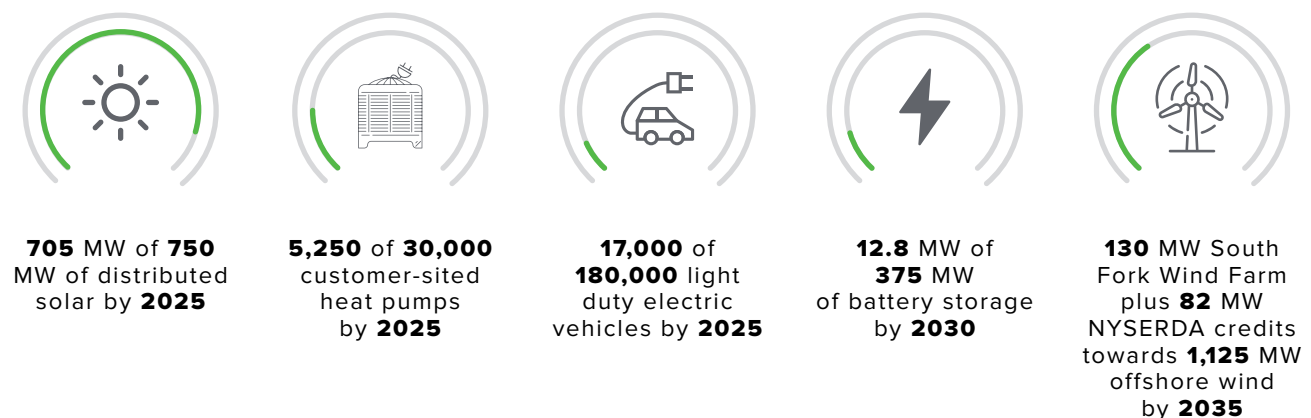
Running LIPA Clean means meeting New York State's aggressive climate goals and providing Long Island with 100 percent carbon-free energy by 2040. And it means enabling other sectors of the economy, like transportation and buildings, to decarbonize through the use of electricity. To meet our share of New York's goals, LIPA will need:

- 750 megawatts (MW) of distributed solar by 2025;
- 30,000 customer-sited heat pumps by 2025;
- 180,000 light-duty electric vehicles (EVs) by 2025;
- 375 MW of battery storage by 2030; and
- 1,125 MW of offshore wind by 2035.

Figure 1 shows LIPA's progress so far. While we are on track, we still have a lot to accomplish.

**FIGURE 1**

Long Island's Clean Energy Scorecard





Here are some of the ways LIPA advanced its clean energy goals in 2020:

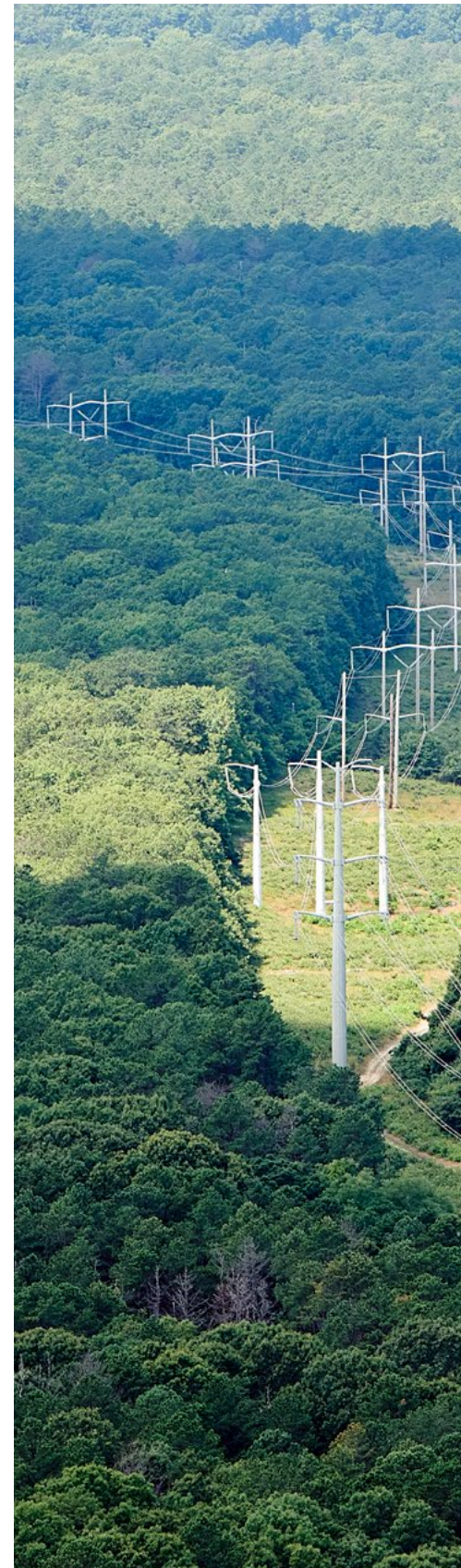
- Supporting the permitting of the transmission cable for New York's first offshore wind project, the **130 megawatt (MW) South Fork Wind Farm**;
- Studying the transmission reinforcements required to support the State's goal of **9,000 MW of offshore wind** and beginning the approval process for necessary transmission projects to integrate high levels of offshore wind on Long Island;
- Signing a power purchase agreement for a **23 MW utility-scale solar project** in Calverton;
- Soliciting **25 MW of community solar projects** to expand access to renewable power for qualifying low- and moderate-income residents and help address climate equity;
- **Retiring 68 MW of peaking units** at Glenwood Landing and West Babylon in 2020 and 2021;
- Approving **five new time-of-use rate designs** for residential and small business consumers, including a new off-peak electric vehicle (EV) charging rate, providing customers with an opportunity to save money by using electricity when it is cleaner and less expensive for LIPA to provide;
- Advancing the State's goal of **180,000 EVs on Long Island by 2025** by enrolling **1,000 EV owners** in Smart Charge off-peak charging program (an approximately 25 percent discount for overnight charging), rebating **900 residential EV smart chargers**, and issuing demand incentives to **115 DC EV fast charging ports**;
- Issuing rebates and incentives for **5,250 air source heat pumps** towards a goal of 30,000 carbon-reducing heat pumps by 2025; and
- Partnering with New York State Parks to open a world class **Energy and Nature Center at Jones Beach State Park** to showcase ways visitors can become conscientious stewards of our environment and smart energy consumers.



## LEAN: ELECTRICITY AT THE LOWEST POSSIBLE COST

Operating Lean means achieving a balance between cost and service to get the most out of every dollar. Highlights of LIPA's activities in 2020 to Operate Lean include:

- Belt-tightening actions for 2021 to 2023, including deferring **\$60 million** of existing projects from the Capital Budget and **\$150 million** of new Capital initiatives; and cutting \$15 million from the Operating Budget and deferring **\$80 million** of new operating initiatives;
- Refinancing bonds for an estimated **\$70 million** of present value interest savings;
- Studying the **retirement of 400 to 600 MW of excess fossil fuel plant capacity** with announcements in early 2021;
- Settling decade-long litigation with the Huntington Town Board and Northport-East Northport School District to gradually reduce taxes on the Northport Power Station. This agreement, combined with the previous settlement for the Port Jefferson Power Station, maintains hundreds of millions of tax benefits for the host communities while saving LIPA's customers **\$364 million through 2028**;
- Benchmarking PSEG Long Island's **asset management practices** to the International Organization for Standardization (ISO) 55001 international standard and making recommendations for improvements;
- Making recommendations to improve the functioning and efficiency of PSEG Long Island's **budget development and monitoring** practices and **Enterprise Risk Management** practices; and
- Reviewing and making recommendations to PSEG Long Island to **manage staffing and overtime** for planned and unplanned work more effectively.





## CUSTOMER-FIRST: FOCUS ON OUR CUSTOMERS' NEEDS

For LIPA, Customer-First means exceeding our customers' expectations reliably and responsively. Highlights of LIPA's activities that put our Customers First in 2020, include:

- Investigating PSEG Long Island response to Tropical Storm Isaias in August 2020 and making nearly **100 recommendations to improve PSEG Long Island's management, emergency management, and information technology** to address management failures during the storm;<sup>1</sup>
- Submitting a report to the Board on the Options for the Management of LIPA Assets, which identifies opportunities to **improve management accountability and alignment** with Long Island customers and an alternative to **save up to \$815 million** through 2033 by managing LIPA's assets directly; and
- Continuing **record investment levels of \$802 million for 2020** – roughly three times those of a decade ago – into customer satisfaction and reliability, including storm hardening and Smart Meters, which provide better service at less cost.

The LIPA Board also took actions to ensure that customers impacted by the COVID-19 pandemic had access to essential electric service. The Board:

- Suspended customer terminations and late payment charges;
- Extended the grace period for low- and moderate-income customers to renew bill discounts;
- Suspended reconnection fees for commercial customers who disconnect electric services during pauses in business activity;
- Eased repayment terms for customers entering into deferred payment agreements; and
- Increased customer bill assistance to \$17.6 million in 2021 – quadrupling the five prior years' average funding level.

See Appendix A for a complete list of the significant projects advanced by LIPA management during 2020.



## 5 | 2021 Work Plan Projects

At the beginning of each year, LIPA's management presents the Board with a Work Plan to advance the Board's Vision for a Clean, Lean, and Customer-First utility for our customers. The planning process ensures that LIPA and its service providers prioritize the activities and projects that provide the greatest value to our customers and continue to move us forward in a rapidly changing industry.

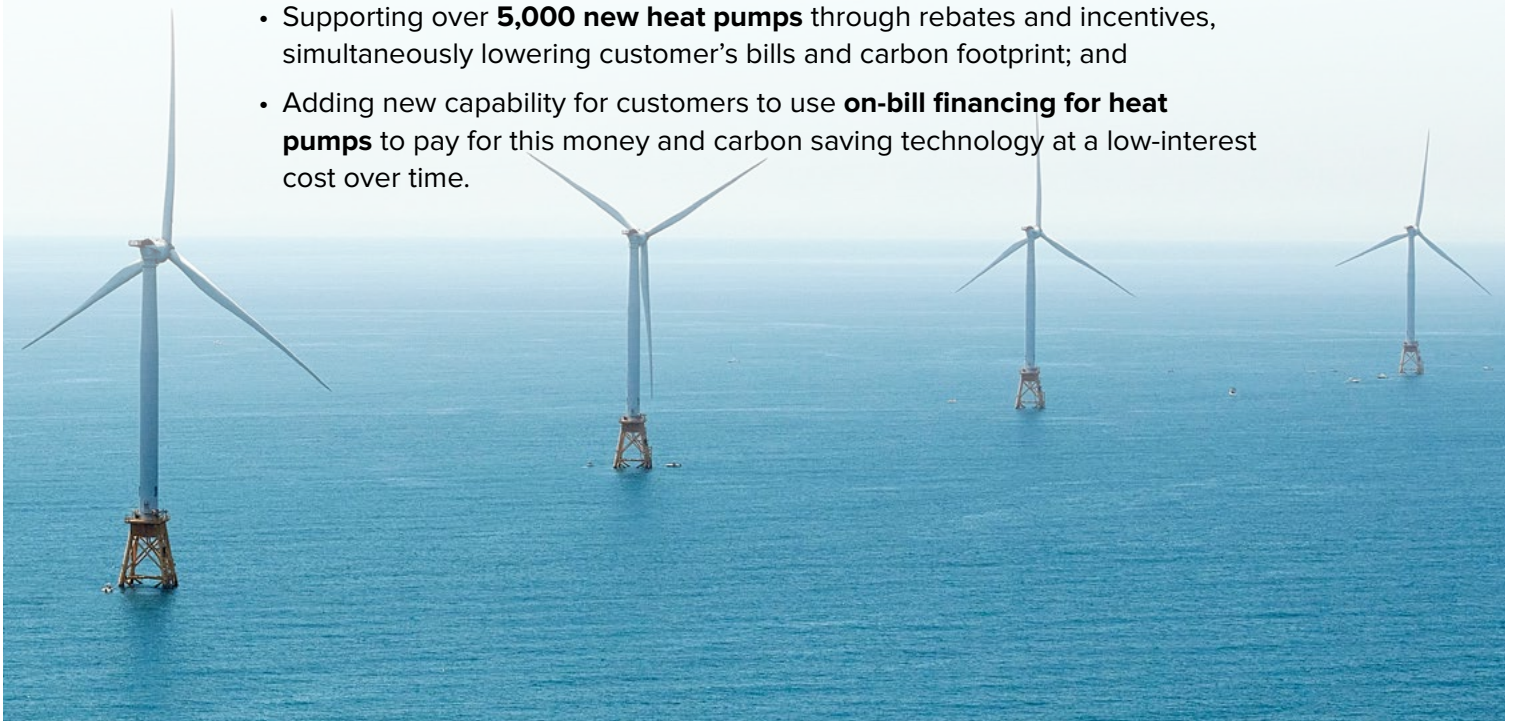
The annual Work Plan summarizes the projects that LIPA's management will undertake to further the Board's Vision and Policies, including (1) those related to LIPA's direct responsibilities, such as financing, wholesale markets policy, or rates and tariffs; and (2) oversight of the services provided to LIPA contractually by PSEG Long Island, National Grid, and other service providers. The projects in the Work Plan go beyond the day-to-day responsibilities of LIPA's staff. During the year, LIPA's management reviews the Work Plan weekly, and sometimes projects are added, revised, delayed, or canceled due to changing priorities. We will report back to the Board on the 2021 Work Plan's accomplishments at the first Board meeting of 2022.

As discussed above, 2021 will be a year of significant change for LIPA as we pursue options for different operating models going forward. The uncertainty around that requires that our plans include flexibility to adapt to changing circumstances. Therefore, management has separated the 2021 projects into Tier 1 projects, which are "must do's," and Tier 2 projects, which may be delayed based on changing priorities during the year. Below are highlights of the Tier 1 projects for 2021, including oversight activities.

## CLEAN: CARBON-FREE, RELIABLE ELECTRICITY BY 2040

LIPA will advance the clean energy goals of the State and the Board by:

- Conducting a new **Integrated Resource Plan** to determine the least-cost mix of generation and transmission to ensure continued system reliability while planning for an orderly transition away from fossil fuels;
- Issuing a request for proposals for **175 to 200 MW of utility-scale energy storage** to help address offshore wind intermittency and ensure that LIPA meets its share of New York's storage goals;
- Advancing State approvals for necessary **transmission infrastructure** to allow developers to interconnect high levels of offshore wind to the Long Island electric grid;
- Contracting with the New York State Energy Research and Development Authority (NYSERDA), who will act as LIPA's procurement agent for **100 to 200 MW of Renewable Energy Credits**, to supplement LIPA's clean energy procurements;
- Investing in **EV make-ready infrastructure** to support 24 DC fast chargers and 254 level two chargers;
- Signing up 1,000+ customers for residential EV smart charger rebates and enrolling up to **245 new DC fast charging ports** in demand incentives;
- Enrolling another 1,000+ EV owners in **Smart Charge off-peak charging rewards**;
- Supporting over **5,000 new heat pumps** through rebates and incentives, simultaneously lowering customer's bills and carbon footprint; and
- Adding new capability for customers to use **on-bill financing for heat pumps** to pay for this money and carbon saving technology at a low-interest cost over time.





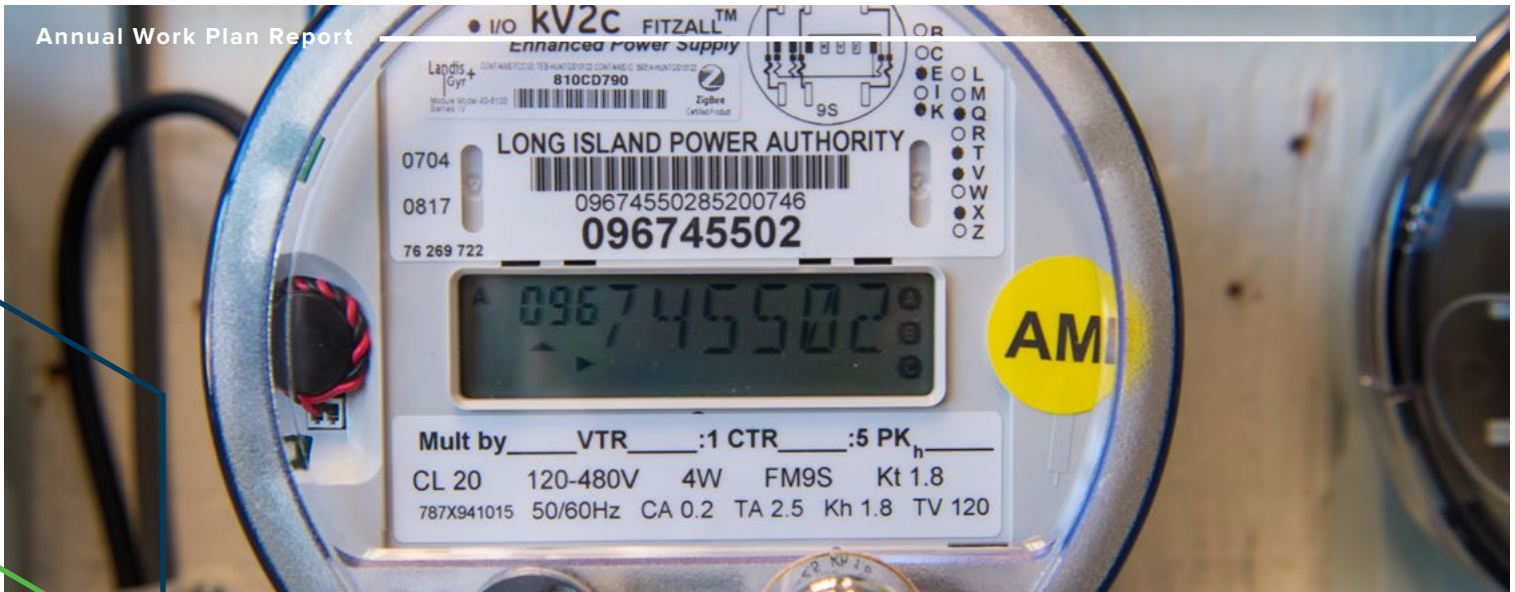


Riverhead, Long Island

## LEAN: ELECTRICITY AT THE LOWEST POSSIBLE COST

To stay focused on operating Lean, LIPA will:

- **Reform the budget development process** with PSEG Long Island to ensure alignment between budgets and work plans and enhanced accountability and transparency, including more robust variance monitoring. These changes will uncover further opportunities to operate our business efficiently and better allocate our resources to our most important priorities;
- Complete studies of generation retirements and **retire 400 to 600 MW of excess Long Island fossil-fuel generation** over the next several years;
- Advance either a settlement or litigation to reduce the **excessive tax bills** on the Glenwood Landing and E.F. Barrett Power Plants in Nassau County;
- Prepare and file the **\$225 million Tropical Storm Isaias claim** with the Federal Emergency Management Agency with appropriate support, reducing the storm costs for our customers;
- Continue to advance **revised cost allocations for transmission and gas transportation services** at the Federal Energy Regulatory Commission and Public Service Commission to address formulas that overburden LIPA with excess costs for the services rendered;
- Deploy **data analytics** to evaluate PSEG Long Island's **fleet management** practices; and
- Enhance the PSEG Long Island **Enterprise Risk Management** program to achieve greater transparency, better risk analysis, and improved monitoring of risk mitigation plans.



## CUSTOMER-FIRST: FOCUSED ON OUR CUSTOMERS' NEEDS

To demonstrate our continued commitment to our customers, LIPA will:

- Better align accountabilities and responsibilities with our customers by either **terminating or substantially renegotiating our contract with PSEG Long Island** to address the systematic management failures uncovered by LIPA's investigation of PSEG Long Island's response to Tropical Storm Isaias;
- Oversee PSEG Long Island's implementation of **nearly 100 reforms** ordered by the LIPA Board to enhance **management, emergency management, and information technology** at our service provider;
- Advance LIPA's claim and seek recovery of **\$70+ million in damages due to PSEG Long Island's mismanagement** of LIPA's assets so that our customers do not bear the costs of these failures;
- Complete a **270-day final report by the Isaias Task Force** to make additional recommendations and inform the Board and public about the progress in addressing the PSEG Long Island management failures during the storm;
- Seek legislation to permit the refinancing of LIPA debt for savings and to **fund additional storm hardening** at a lower cost to our customers;
- Conduct an **independent review of the PSEG Long Island cybersecurity program** and information and operational technology and communication infrastructure to ensure robustness in serving our customers;
- Develop **new metrics for analysis of emergency response effectiveness** and implement oversight process improvements, including analytical assessments;
- Continue to advance **record investments in customer satisfaction and reliability**, including new electric rate pricing plans, online tools, smart meters, and resiliency investments; and
- Simplify the **Long Island Choice** program to provide customers and communities with more choices while ensuring pricing appropriately reflects the cost of serving customers.

See Appendix B for a complete list of LIPA's 2021 projects.

## 6

## Conclusion

This coming year will perhaps be the most significant in LIPA's 22-year history as the electric grid owner serving Long Island and the Rockaways. We face important decisions regarding whether to continue our business relationship with our service provider, PSEG Long Island. We must also continue to pursue projects and activities that will help us meet the Board's Vision for a Clean, Lean, and Customer-First utility for our customers. Our plans for the year ahead are ambitious but achievable for the betterment of Long Island and our customers.



## 2020 WORK PLAN ACCOMPLISHMENTS

## APPENDIX A

Department:	Administration
<b>GOAL 1</b>	
Team Lead:	Bobbi O'Connor
Goal Description:	Generate a policy that documents all of the components of LIPA's strategic planning process, establishes an executive committee to coordinate and oversee the process and identifies the individuals involved in the process and the roles they play.
End of Year Status:	Complete
Task Completed:	Policy establishing the executive committee has created a very robust method of monitoring the status of LIPA's significant work plan projects.
<b>GOAL 2</b>	
Team Lead:	Bobbi O'Connor
Goal Description:	Benchmark status of strategic planning process against peers or established maturity model to identify strengths and weaknesses and implement changes as appropriate.
End of Year Status:	Complete
Task Completed:	Discussed LIPA's strategic planning process with peers at three other large public power companies to compare processes and identify process improvements resulting in process improvements to incorporate risk analysis into the budgeting process.
<b>GOAL 3</b>	
Team Lead:	Bobbi O'Connor
Goal Description:	Create a communications plan to engage employees in the components of the strategic planning process (including project plans, budgets and metrics) and explain the timing and interplay between the components.
End of Year Status:	Complete
Task Completed:	Identified opportunities to communicate aspects of the strategic planning process to the entire organization including presenting at employee staff meetings and writing an article in the monthly newsletter.
<b>GOAL 4</b>	
Team Lead:	Corey Horowitz
Goal Description:	Leverage risk analyses to enhance business processes for LIPA and PSEG Long Island; pilot one department at LIPA and one at PSEG Long Island and present findings to Senior Staff. Identify lessons-learned and develop the process to integrate into other business processes. For LIPA we will pilot the process for strategic planning, for PSEG Long Island the pilot will be for SOS prioritization.
End of Year Status:	Complete
Task Completed:	Worked with LIPA's human resources and audit departments to leverage risk analysis to help prioritize work flows, resulting in an 18-month human resource roadmap for strategic priorities and an audit plan focused on operational audits of the key risk areas of the business. ERM integration into PSEG Long Island's SOS prioritization process was deferred due to issues with staff time and funding and the project switched focus to working with PSEG Long Island's internal audit department to include ERM analysis into their audit universe.

## APPENDIX A

Department:	Administration
<b>GOAL 5</b>	
Team Lead:	Bobbi O'Connor
Goal Description:	Develop trustee onboarding program to introduce new trustees to key areas of LIPA's business and familiarize them with LIPA's governance model.
End of Year Status:	Complete
Task Completed:	Developed a program to provide ongoing training for trustees across the key areas of LIPA's business. Conducted workshops on governance, storm response, and risk management. Schedule was extended into 2021 at the request of trustees to allow focus to be on post-Isaias issues.
<b>GOAL 6</b>	
Team Lead:	Bobbi O'Connor
Goal Description:	Lead relationship management strategic initiative with appropriate deliverables in 2020.
End of Year Status:	Complete
Task Completed:	LIPA retained a third-party consultant to identify areas for improvement and areas that are working well in the relationship. LIPA and PSEG Long Island leadership met four times in 2020 to discuss process improvements.
<b>GOAL 7</b>	
Team Lead:	Corey Horowitz
Goal Description:	Maturity model for PSEG Long Island's asset management.
End of Year Status:	Complete
Task Completed:	LIPA retained a third-party consultant to review PSEG Long Island's asset management practices and make recommendations for process improvements which will be implemented beginning in 2021.
<b>GOAL 8</b>	
Team Lead:	Bobbi O'Connor
Goal Description:	Review LIPA's mission, vision and values and revise to incorporate themes identified in 2019 strategic planning process and employee feedback.
End of Year Status:	Running Behind
Task Completed:	LIPA reviewed and refreshed its values which are now Service, Collaboration, and Excellence. This project is running behind because review of LIPA's mission and vision was deferred until 2021 at the request of trustees to allow focus to be on post-Isaias issues.

## APPENDIX A

<b>Department:</b>	<b>External Affairs &amp; Communication</b>
<b>GOAL 9</b>	
<b>Team Lead:</b>	Jen Hayen
<b>Goal Description:</b>	Build out the issue fact sheets on LIPA's website. Fact sheets will provide concise information and data on major policy issues.
<b>End of Year Status:</b>	Complete
<b>Task Completed:</b>	Generated issue-based fact sheets on key areas of the business including undergrounding, storm hardening, oversight of LIPA and PSEG Long Island, storm response oversight, distributed solar, community choice aggregation, Tropical Storm Isaias frequently asked questions, and more. Fact sheets were posted to the LIPA website and distributed to key LIPA stakeholders.
<b>GOAL 10</b>	
<b>Team Lead:</b>	Jennifer Hayen, Thomas Locascio
<b>Goal Description:</b>	Strategic Communications — Implement brand & communications strategy. Implementing a brand strategy can enhance reputation, attract talent, increase employee engagement, and give clarity to LIPA's role on Long Island.
<b>End of Year Status:</b>	Running Behind
<b>Task Completed:</b>	LIPA reviewed, and has already implemented, a few key elements of brand strategy. This project is running behind because branding and communication strategies are dependent on business options being considered by LIPA in response to PSEG Long Island's response to Tropical Storm Isaias.
<b>GOAL 11</b>	
<b>Team Lead:</b>	Jen Hayen
<b>Goal Description:</b>	Create a "history of LIPA" (pamphlet and digital format for intranet) for LIPA website and employees from the LILCO history, employee history, and other sources that explains LIPA's past and where we're headed, including use of photos of LIPA's assets to create a connection in the office to our business and tell our story.
<b>End of Year Status:</b>	Running Behind
<b>Task Completed:</b>	Content is near final, and last steps are needed to complete this goal. The project was delayed as it was ranked as a lower priority project, and the in-office deliverable will be in conjunction with the final configuration of the LIPA suite reimaged after COVID-19.
<b>GOAL 12</b>	
<b>Team Lead:</b>	Barbara Ann Dillon, Jen Hayen, Thomas Locascio
<b>Goal Description:</b>	Update LIPA's Office Suite Photos Using Asset Photos. Update LIPA Office Suite messaging to communicate Vision and Values. Displaying photos of LIPA's assets is an effective reminder and a good opportunity to provide information to guests and staff about our business and the purpose of our efforts and contributions.
<b>End of Year Status:</b>	Running Behind
<b>Task Completed:</b>	This project is running behind because the configuration of the office is being reconsidered in light of COVID-19.



## APPENDIX A

Department:	Finance
<b>GOAL 13</b>	
Team Lead:	Chris Digilio
Goal Description:	2020 Medium Term Notes Offering Plan
End of Year Status:	Complete
Task Completed:	Developed an issuing plan and documents for \$250M note offering to be priced January 13, 2021 and close January 28, 2021.
<b>GOAL 14</b>	
Team Lead:	Chris Digilio
Goal Description:	2020 Finance Plan
End of Year Status:	Complete
Task Completed:	Developed the Detailed 2021 Finance Plan to issue Medium Term Notes and new money bonds to support the 2021 capital budget which was approved by the Board of Trustee in December 2020.
<b>GOAL 15</b>	
Team Lead:	John Little
Goal Description:	Conduct financial strategy review and create new PFM report.
End of Year Status:	Complete
Task Completed:	Analyzed LIPA Board financial policy to ensure metrics continue to meet our long-term financial goals. PFM provided recommendations which the Board adopted in the December 2020 meeting.
<b>GOAL 16</b>	
Team Lead:	Gerry Ring
Goal Description:	Transition power Markets planning to new platform to improve documentation. Ensure LIPA have approval rights to changes to the model. Eliminate the weaknesses of excel based modeling and thereby strengthen controls over the overall model. Transition annual budgeting process to new platform.
End of Year Status:	Complete (Phase 1)
Task Completed:	Obtained PSEG Long Island concurrence on the need for a single-model automated platform to develop and monitor LIPA's consolidated budget. Project in 2021 will improve budgeting process as well as review the best available software to implement.
<b>GOAL 17</b>	
Team Lead:	Chris Digilio
Goal Description:	Implement end-to-end comprehensive review of treasury operation processes to facilitate efficiencies through incorporation into new ERP process.
End of Year Status:	Complete
Task Completed:	End-to-end comprehensive review and assessment of treasury operations process was completed and execution of the recommendations is in progress.

## APPENDIX A

Department:	Finance
<b>GOAL 18</b>	
Team Lead:	Chris Digilio
Goal Description:	Issue Letter of Credit RFP.
End of Year Status:	Complete
Task Completed:	Completed RFP, six banks were awarded and four of the six Lines of Credit were amended and/or renewed.
<b>GOAL 19</b>	
Team Lead:	Chris Digilio
Goal Description:	Issue RFP for investment banking services.
End of Year Status:	Complete
Task Completed:	Completed RFP and selection of investment banker underwriter pool.
<b>GOAL 20</b>	
Team Lead:	Gerry Ring
Goal Description:	Ensure that PSEG Long Island has staffing and overtime plans (resource loading plans) in place that effectively and efficiently address planned and unplanned workload. This includes the development of a new Monthly Overtime Report that enables PSEGLI to report on the planned and actual use of Overtime.
End of Year Status:	Complete
Task Completed:	Obtained regular reporting from PSEG Long Island to assure their review of continued use of overtime and ensure top-earners are appropriately awarded overtime as directed by union contract rules.
<b>GOAL 21</b>	
Team Lead:	Chris Digilio
Goal Description:	Private Business Use Certificate Review
End of Year Status:	Complete
Task Completed:	Revised Private Business Use Certificate completed.
<b>GOAL 22</b>	
Team Lead:	Chris Digilio
Goal Description:	Update capital spending allocation policies and procedures.
End of Year Status:	Complete
Task Completed:	Updated LIPA policy on tracking tax-exempt financed utility plant additions which identified efficiencies and implemented improvements in the monthly process.
<b>GOAL 23</b>	
Team Lead:	Chris Digilio
Goal Description:	Review UDSA legislation and advocate for any changes that may produce economic benefits.
End of Year Status:	In Progress
Task Completed:	Drafted proposed UDSA legislation amendments to be introduced for consideration in 2021 to gain economic benefits for our customers.

## APPENDIX A

Department:	Finance
<b>GOAL 24</b>	
Team Lead:	Chris Digilio
Goal Description:	Complete all work necessary to pull the trigger on execution of a prepay transaction when market opportunity presents itself, including completion of RFP and vetting of transaction with OSC.
End of Year Status:	Running Behind
Task Completed:	Significant delays due to Office of State Comptroller resource challenges from COVID-19 and in-depth review of the complex transaction.
<b>GOAL 25</b>	
Team Lead:	Chris Digilio
Goal Description:	Update record retention policy associated with Authority bond issuances.
End of Year Status:	Running Behind
Task Completed:	Delayed due to timing of final audit report.

Department:	Human Resources
<b>GOAL 26</b>	
Team Lead:	Barbara Ann Dillon
Goal Description:	Complete new process for succession planning to implement industry best practice.
End of Year Status:	Complete
Task Completed:	Reviewed and revised our leadership competency framework to identify and define the competencies required for success and LIPA's Officers and Directors were assessed against these competencies to measure potential and readiness for succession and advancement. A summary of potential & succession readiness of Officers & Directors, and a list of high-potential Managers, was prepared for the CEO. An Officer succession heat map was created to show either gaps or successor candidates and the readiness of these candidates. Finally, action steps were identified to address gaps and to develop staff as successors.
<b>GOAL 27</b>	
Team Lead:	Barbara Ann Dillon
Goal Description:	Employee Engagement — Increase employee engagement initiatives at the department level. Increase overall performance and productivity by improving employee engagement levels across the organization by aligning department and employee focus and priorities with LIPA strategy.
End of Year Status:	Complete
Task Completed:	While enterprise - wide engagement efforts continued, department leaders undertook a more active role in conducting engagement activities within their departments and directly with/for their teams. Department heads participated in a presentation about the critical role leadership plays to increase engagement. Successful, creative engagement initiatives were researched and LPA leadership was surveyed and asked to commit to selecting and delivering engagement activities for their departments.

## APPENDIX A

<b>Department:</b>	<b>Human Resources</b>
<b>GOAL 28</b>	
<b>Team Lead:</b>	Barbara Ann Dillon
<b>Goal Description:</b>	Improve the interview process to support making the right hiring decisions to ensure we are hiring the appropriate person for the identified job using the competencies identified for job success, including by creating a uniform list of behavioral interview questions for different levels of hiring (analyst, manager, director and officer) based on industry best practices.
<b>End of Year Status:</b>	Complete
<b>Task Completed:</b>	New behavioral interview questions focus on how a candidate has handled different work situations in the past and require a candidate to provide concrete examples of skills and experiences that relate to the position. After identifying the competencies required for each employee level (Officer, Director, Manager, Individual Contributor) a library of competency specific questions was prepared based on best practice and peer research.
<b>GOAL 29</b>	
<b>Team Lead:</b>	Barbara Ann Dillon
<b>Goal Description:</b>	Create a 360-degree review that provides more useful assessments and is shorter, simpler and encourages comments and feedback.
<b>End of Year Status:</b>	Complete
<b>Task Completed:</b>	The annual 360-evaluation process was redesigned to be more focused and to solicit better feedback to employees by using a new, shorter template that requires qualitative answers to a few questions regarding an employee's strengths and opportunities for development. Process improvements were also implemented so the 360-feedback, and the annual performance evaluation, provide actionable recommendations to include in employee annual development plans.
<b>GOAL 30</b>	
<b>Team Lead:</b>	Barbara Ann Dillon
<b>Goal Description:</b>	Create an 18-month HR roadmap outlining all inflight and contemplated HR programs and noting how all programs relate to one another. Provide a comprehensive and straightforward chart of all of LIPA HR's initiatives and programs to support employee understanding of what we do, why we do it and how it all fits together.
<b>End of Year Status:</b>	Complete
<b>Task Completed:</b>	An 18-month roadmap was prepared to identify and prioritize all of HR's initiatives and identifies resource needs, confirms that work is manageable and assists with prioritizing HR's the top objectives. HR then shared the roadmap and briefed the Executive Committee and staff about the various initiatives and how they fit together to support and drive LIPA strategy.
<b>GOAL 31</b>	
<b>Team Lead:</b>	Barbara Ann Dillon
<b>Goal Description:</b>	Reimagining LIPA for Post Covid 19
<b>End of Year Status:</b>	In Progress
<b>Task Completed:</b>	In progress project to provide a safe, functional office environment during the pandemic and to design a post COVID workspace for a hybrid workforce (remote and in-office); fosters collaboration and communication, maximizes use of space and is agile to meet future staffing requirements.

## APPENDIX A

Department:	Innovation and Information Technology
<b>GOAL 32</b>	
Team Lead:	Mujib Lodhi
Goal Description:	Create a roadmap to enhance LIPA's cybersecurity program within three years. Implement 2020 Cybersecurity enhancements: C2M2 recommendations (wave 1 priority).
End of Year Status:	Complete
Task Completed:	Conducted a thorough third party independent cybersecurity assessment to baseline LIPA's cybersecurity practices, policies, controls, and cybersecurity architecture. Developed a multi-year cybersecurity program that delineates the strategic objectives, management structure, business processes, and technology capabilities to implement safeguards to minimize and manage risk to acceptable levels. Implemented several cybersecurity initiatives to introduce new policies, technologies, controls, cyber architecture, and management processes to enhance LIPA's cybersecurity posture.
<b>GOAL 33</b>	
Team Lead:	Mujib Lodhi
Goal Description:	Migrate Management Audit System to GoalHub Platform for management and reporting Management Audit goals.
End of Year Status:	Complete
Task Completed:	Migrated Management Audit System to a modern Platform to improve tracking and reporting of management audit recommendations.
<b>GOAL 34</b>	
Team Lead:	Mujib Lodhi
Goal Description:	Implement Phase I of LIPA's Enterprise Resource Planning system.
End of Year Status:	Complete
Task Completed:	Successfully went-live with a state-of-the-art, integrated and flexible Enterprise Resource Planning (ERP) system to support Financial, Human Resources, and Procure-to-pay operations. This enterprise system will support current and future best practices and improve operations across the organization.
<b>GOAL 35</b>	
Team Lead:	Brian Celleri
Goal Description:	Upgrade audio visual technology in executive conference room and two small conference rooms to support video conferencing capabilities
End of Year Status:	In Progress
Task Completed:	Completed the modernization of the Audio Visual Technology in the executive conference room to better facilitate virtual meetings and collaboration.
<b>GOAL 36</b>	
Team Lead:	Danny Jagoda
Goal Description:	Review and monitor IT metrics and consider the need for any additions, deletions, or modifications
End of Year Status:	In Progress
Task Completed:	Completed the annual review of IT metrics.

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Department:	Innovation and Information Technology
<b>GOAL 37</b>	
Team Lead:	Brian Celleri
Goal Description:	Upgrade 40% of desktop hardware and operating system (Desktop/Laptop/Monitor/Windows 10) and selective Mac OS deployment based on users' needs.
End of Year Status:	Complete
Task Completed:	Completed the upgrade of LIPA's end-point infrastructure (desktop/laptop/tablets), including moving from Operating System (Windows 7) to Windows 10.
<b>GOAL 38</b>	
Team Lead:	Brian Celleri
Goal Description:	Develop an information technology asset management program for LIPA systems, including updated policies and procedures for inventory management throughout the asset life-cycle.
End of Year Status:	Complete
Task Completed:	Implemented a revised Asset Management program to ensure accurate and efficient tracking and management of LIPA's computing assets to improve management controls and strengthen security capabilities.
<b>GOAL 39</b>	
Team Lead:	Danny Jagoda, Faisal Bhatti
Goal Description:	Create a multi-year roadmap for IT investments for planning and 2021 rate case.
End of Year Status:	Running Behind
Task Completed:	Developed roadmap for IT investments which will evolve as LIPA considers its business options as a result of PSEG Long Island's response to Tropical Storm Isaia.
<b>GOAL 40</b>	
Team Lead:	Mujib Lodhi
Goal Description:	<p>Create a multi-year LIPA data analytics roadmap/strategy, including easier data access for LIPA employees to PSEG data (e.g., data warehouse) and set up data analytics as a service within IT to help departments implement data analytics. Implement phase I (POC) for 2020.</p> <p>Identify and implement a 2020 data analytics use case for FO/OO. Increase collaboration and effectiveness between departments (FO and OO) through enhanced use of data analytics (Tableau) to enable customized analysis and routine reporting of PSEG LI information.</p> <p>Data Analytics -In partnership with Internal Audit, work with PSEG Long Island to develop a repeatable P-card exception reporting workflow to analyze 100% of the P-card transactions monthly.</p>
End of Year Status:	Running Behind
Task Completed:	This project is running behind because resources had to be diverted to address PSEG Long Island's response to Tropical Storm Isaia. In 2021, staff will create a multi-year LIPA data analytics roadmap/strategy, and set up data analytics as a service within IT to help departments implement utility data analytics to provide actionable intelligence to improve business performance.

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Department:	Internal Audit
<b>GOAL 41</b>	
Team Lead:	Kathleen Mitterway
Goal Description:	<p>The objective of the P-Card Robotic Process Automation Project is to:</p> <ul style="list-style-type: none"> <li>• Increase test coverage, by analyzing 100% of the PSEG Long Island P-Card transactions.</li> <li>• Eliminate manual testing and sampling with automated monitoring of processes.</li> <li>• Create a repeatable process which will increase PSEG Long Island</li> <li>• Begin using new data analytic tools, which will be expanded after implementing this first project</li> </ul>
End of Year Status:	In Progress
Task Completed:	Developed a P-Card Robotic Process Automation workflow to analyze 100% of the PSEG Long Island P-Card transactions monthly.

Department:	Legal
<b>GOAL 42</b>	
Team Lead:	Anna Chacko
Goal Description:	Policy Management -- Inventory all departments to create written policies and procedures for all material functions and develop a "policy on policies" setting forth criteria by which policies may be promulgated and developed departmentally or by authority of the CEO.
End of Year Status:	Complete
Task Completed:	Developed repository for, and oversaw generation of, policies related to all key areas of the business to facilitate knowledge capture and transfer.
<b>GOAL 43</b>	
Team Lead:	Maria Gomes
Goal Description:	Develop process for annual review of LIPA vendors.
End of Year Status:	Complete
Task Completed:	Developed survey questions incorporating input from the various departments. Identified and tested portal to facilitate surveys launching 2 test surveys for 2 vendors; after successful testing, portal was utilized to review actual vendor.
<b>GOAL 44</b>	
Team Lead:	Anna Chacko
Goal Description:	Review structure of 1997 deal and determine whether the underlying rationale for LILCO still exists.
End of Year Status:	In Progress
Task Completed:	Concluded that LILCO can and should be merged into LIPA based on conversations with corporate and tax counsel.



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Department:	Legal
<b>GOAL 45</b>	
Team Lead:	Elisa Rodriguez, Jim Miskiewicz, Maria Gomes, Mujib Lodhi
Goal Description:	<p>With IT project management, procure and customize document management system that integrates record retention policy across LIPA.</p> <p>The objective is to provide all LIPA staff with a digitally-based document management system that is easy-to-use within normal work, provides institutional knowledge as well as litigation functionality through a user-friendly search function, and integrates with a hosting, cloud-based system that retains and automatically disposes of records in compliance with state and federal law and regulation as applicable. The digital system would also, in time, serve as a replacement to costly paper archiving.</p>
End of Year Status:	In Progress
Task Completed:	Performed needs analysis with LIPA departments to determine requirements for updated document management system. Developed record retention policy.
<b>GOAL 46</b>	
Team Lead:	Anna Chacko
Goal Description:	<p>Oversee analysis by PSEG Long Island of NGRID properties to determine if ownership is more beneficial than current lease arrangements with National Grid.</p> <p>Reduce cost to LIPA, if possible.</p>
End of Year Status:	Running Behind
Task Completed:	Studied the call center and the primary transmission control center. Both efforts were unsuccessful for different reasons. Made recommendations for the Board's consideration to improve real estate management in 2021.





## APPENDIX A

Department:	Office of the Controller
<b>GOAL 47</b>	
Team Lead:	Donna Mongiardo
Goal Description:	Bifurcate National Grid and LIPA poles and evaluate revenue optimization opportunities for the telecommunication portfolio after bifurcation is completed.
End of Year Status:	Complete
Task Completed:	LIPA ensured PSEG Long Island bifurcated the telecommunication leases from National Grid by December 31, 2020 allowing LIPA to earn its 100% share of the lease payments and eliminate National Grid's management of such master leases which were never transitioned after PSEG Long Island became service provider.
<b>GOAL 48</b>	
Team Lead:	Donna Mongiardo
Goal Description:	Develop a FEMA process for close-out of 428 grant that streamlines consultant review of documentation and most efficiently provides for collection of the remaining funds under the letter of understanding.
End of Year Status:	Complete
Task Completed:	LIPA reviewed the mitigation circuit binders with NYS Dept of Homeland Security and ensured they concurred with FEMA on the documentation necessary in such binders. A bi-weekly meeting with all related parties ensure a constant submission of additional circuits to obtain a complete review of all circuit binders within a 2-year period.
<b>GOAL 49</b>	
Team Lead:	Donna Mongiardo
Goal Description:	Evaluate PSEG Long Island's process for managing telecommunication assets and maximizing revenues from same.
End of Year Status:	Not Started
Task Completed:	This project was moved to 2021.
Department:	Operations Oversight
<b>GOAL 50</b>	
Team Lead:	Tom Simpson
Goal Description:	Oversee PSEG Long Island's completion of the mandated Northport repowering study by 4/1/20, including evaluation of possible retirement of one or more steam units.
End of Year Status:	Complete
Task Completed:	The report concluded that repowering would not produce net benefits for customers, but that retirement of one steam unit would produce significant savings without hurting reliability.
<b>GOAL 51</b>	
Team Lead:	Donald J. Schaaf
Goal Description:	Undertake a survey of other utilities to identify best practices in storm response drills to maximize the benefit of PSEG Long Island's drills.
End of Year Status:	Complete

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Department:	Operations Oversight
Task Completed:	The survey and assessment of PSEG Long Island's storm drills were included in LIPA's 90-Day Report on Tropical Storm Isaias.
<b>GOAL 52</b>	
Team Lead:	Timothy Lederer
Goal Description:	Oversee development of Deferred Payment Agreements Report to improve management of receivables.
End of Year Status:	Complete
Task Completed:	The report was completed and is being used by LIPA and PSEG Long Island to improve collection practices.
<b>GOAL 53</b>	
Team Lead:	Mike Deering
Goal Description:	Oversee the development and implementation of multi-year (through 2025) energy efficiency program and budget consistent with NYS standards.
End of Year Status:	Complete
Task Completed:	Oversaw development and implementation of three-year plan that is three-year plan that will be modified as needed to address legal and regulatory changes.
<b>GOAL 54</b>	
Team Lead:	Dave Clarke
Goal Description:	Oversee completion of the offshore wind (OSW) transmission study in order to, (i) understand OSW interconnection costs by landfall location, (ii) understand optimum mix of OSW landfall on Long Island versus New York City (iii) advocate for an OSW Public Policy Transmission Need and (iv) inform plans for generation sites under the Power Supply Agreement.
End of Year Status:	In Progress
Task Completed:	PSEG Long Island completed a study of the optimal interconnection plan for 3,000 MW of offshore wind on Long Island, with another 6,000 MW connected to New York City. In July 2020 LIPA submitted a letter to the Public Service Commission recommending a public policy transmission need involving an additional intertie between Long Island and the Con Edison system. The Public Service Commission is reviewing the need as part of a broader power grid study to be completed in 2021.
<b>GOAL 55</b>	
Team Lead:	Dave Clarke
Goal Description:	Represent LIPA customer interests in the Public Service Commission's Resource Adequacy Proceeding, including advocating for appropriate allocation of costs for clean, dispatchable generating plants needed for integration of renewable resources.
End of Year Status:	In Progress
Task Completed:	LIPA submitted comments in the Resource Adequacy proceeding, advocating for fair treatment of renewable resources in the state's electricity markets. Advocacy for fair treatment of renewable resource integration costs (both generation and transmission) is continuing through the Public Service Commission proceedings and the New York Independent System Operator's stakeholder process.

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Department:	Operations Oversight
<b>GOAL 56</b>	
Team Lead:	Tom Simpson
Goal Description:	Complete pending power purchase agreements for new utility-scale solar projects.
End of Year Status:	In Progress
Task Completed:	The power purchase agreement (PPA) for the Calverton solar project was completed and approved in 2020. The PPA for the Riverhead solar project cannot be completed until the project's Article 10 siting process is finished.
<b>GOAL 57</b>	
Team Lead:	Rick Shansky
Goal Description:	Develop a battery storage roadmap for LIPA's share of New York State's energy storage goals (1,500 MW statewide by 2025 and 3,000 MW by 2030) and oversee establishment and implementation of plans for meeting LIPA's resulting 2025 goal (approx. 200 MW by 2025).
End of Year Status:	Running Behind
Task Completed:	This project is running behind because additional analysis was required to develop the storage RFP. During 2020, assessment of distribution system opportunities was conducted and regulatory and contract structure issues were evaluated.
<b>GOAL 58</b>	
Team Lead:	Donald Schaaf
Goal Description:	Assess the efficiency and effectiveness of PSEG Long Island's warehouse and inventory management practices and benchmark them against other utilities.
End of Year Status:	Running Behind
Task Completed:	An independent consultant was engaged to review PSEG Long Island's inventory management practices. Work was delayed by Tropical Storm Isaias. The consultant's findings and recommendations will be included in LIPA's 270-Day Report.
<b>GOAL 59</b>	
Team Lead:	Donald Schaaf
Goal Description:	Review the scalability of PSEG Long Island's Emergency Response Plan to ensure it addresses severe storms and emergencies.
End of Year Status:	Running Behind
Task Completed:	The scalability of systems, logistics, and staffing was assessed. Work was delayed by Tropical Storm Isaias. LIPA's findings will be included in LIPA's 270-Day Report.
<b>GOAL 60</b>	
Team Lead:	Mike Simone
Goal Description:	Oversee refinement and implementation of storm hardening proposal and circuit improvement plans for 2020-2024.
End of Year Status:	Running Behind
Task Completed:	The performance of hardened circuits was assessed and the continuation of the mainline hardening program was determined to be the most cost-effective investment for 2021. Work was delayed by Tropical Storm Isaias. An assessment of hardening options for 2022 and beyond will be included in LIPA's 270-Day Report.

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Department:	Operations Oversight
<b>GOAL 61</b>	
Team Lead:	Rick Shansky
Goal Description:	Oversee NOx compliance plan filing to meet DEC requirement for legacy peaking generating units owned by National Grid.
End of Year Status:	Running Behind
Task Completed:	This project is running behind schedule because discussion of contractual issues has extended longer than expected. During 2020, the NOx Compliance Plan was submitted and two unit retirements were announced.

Department:	Public Policy & Regulatory Affairs
<b>GOAL 62</b>	
Team Lead:	Justin Bell
Goal Description:	Oversee implementation of rate modernization roadmap (2020 portion). Ensure PSEG Long Island executes the 2020 portion of the rate roadmap implementation plan to achieve joint rate modernization vision.
End of Year Status:	Completed
Task Completed:	The Rate Modernization Roadmap was completed in early 2020, setting the agenda for planned changes to LIPA's tariffs over the next several years. The initiatives are intended to keep pace with NY's REV and VDER policies, implement rate changes that promote community distributed generation and electric vehicle penetration, and complement the activities envisioned for Utility 2.0.
<b>GOAL 63</b>	
Team Lead:	Justin Bell
Goal Description:	Lead the policy advocacy strategic initiative to produce a useful policy advocacy process and plan. Develop and document process. Organize and run Policy Advocacy Steering Committee. Match resources with priorities.
End of Year Status:	Completed
Task Completed:	The Policy Advocacy Committee has been assembled to include the relevant participants from LIPA and PSEG Long Island. The committee meets monthly to address and promote the activities needed to define, analyze, and implement the policies that support LIPA's mission and strategy.
<b>GOAL 64</b>	
Team Lead:	Justin Bell
Goal Description:	Research experiences in other service territories with "all electric home" incentives (including SMUD's) and consider applicability in LIPA's service territory.
End of Year Status:	Completed
Task Completed:	Researched all electric home initiatives and oversaw PSEG Long Island's development of all electric home rebates, to be launched in 2021.

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Department:	Public Policy & Regulatory Affairs
<b>GOAL 65</b>	
Team Lead:	Justin Bell
Goal Description:	Oversee PSEG Long Island's analysis of the long-term impacts (5 and 10 years out) of increased electrification on the sales forecast. Ensure that PSEG Long Island's long-term sales forecast properly incorporates the impact of electrification of transportation, heating, and other sectors.
End of Year Status:	Completed
Task Completed:	The source and criteria utilized on long term projections of electrification of transportation, heat pumps and energy efficiency was reviewed and found consistent with other forecasts. These projections were included in the final approved 2021 sales forecast.
<b>GOAL 66</b>	
Team Lead:	Mark Smith
Goal Description:	Lead LIPA's oversight of PSEG Long Island's development and implementation of new on-bill financing programs. Ensure new on-bill program's structure facilitates strategic objective of promoting electrification and contains appropriate controls that minimize socialization of costs -->What projects qualify for on-bill financing -->Administration rules -->Reporting rules
End of Year Status:	Completed
Task Completed:	A two-year on-bill pilot program for residential customers will be initiated in 2021. The focus of the loan program will initially be restricted to heat pumps. The loan program will utilize \$10M of LIPA capital as funding for the customer loans.
<b>GOAL 67</b>	
Team Lead:	Justin Bell
Goal Description:	Oversee rate pilots and modernization plan.
End of Year Status:	Completed
Task Completed:	Rate pilots and modernization plans for updating the tariff have been proposed to and approved by the Board for 2020.
<b>GOAL 68</b>	
Team Lead:	Justin Bell
Goal Description:	Ensure continuity of LIPA rates and tariff functions through knowledge transfer activities within the rates group.
End of Year Status:	Completed
Task Completed:	Knowledge transfer plans have been prepared in 2020 for implementation in 2021 and continuously into the future, covering areas such as cost of service measurement, modern rate design, tariff review processes, and load research and analysis.
<b>GOAL 69</b>	
Team Lead:	Mark Smith
Goal Description:	Implement process to monitor applicable New York State regulatory and legislative activity and plan for compliance with same.

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<b>Department:</b>	<b>Public Policy &amp; Regulatory Affairs</b>
<b>End of Year Status:</b>	Completed
<b>Task Completed:</b>	Regulatory affairs team including LIPA and PSEG Long Island participants meets regularly to track new and on-going regulatory initiatives at the DPS and to consider and establish LIPA's participation in and responses to those regulatory issues.
<b>GOAL 70</b>	
<b>Team Lead:</b>	Justin Bell
<b>Goal Description:</b>	Create a CCA and ESCO strategy for the DPS customer choice proceeding. Oversee development of CCA or CCA-like options and strategy for DPS proceeding.
<b>End of Year Status:</b>	In Progress
<b>Task Completed:</b>	DPS-led initiative to review LI Choice and CCA options on Long Island have been delayed at the request of outside participants. Initial comments were provided on time in December and the reply comments have been postponed until the second half of January 2021. DPS will determine the schedule for follow-on activities, which are expected to continue through 2021.
<b>Department:</b>	<b>Senior Advisor for Oversight</b>
<b>GOAL 71</b>	
<b>Team Lead:</b>	Ken Kane
<b>Goal Description:</b>	Create an oversight roadmap across LIPA and implement strategies in 2020 that advance that roadmap towards where we want to be in 5 years. Think longer term about where we want to be a few years from now so that we can work backwards and plan for the right tools, budgets and staff to meet our objectives.
<b>End of Year Status:</b>	Running Behind
<b>Task Completed:</b>	This project is running behind as revisions to Policy (CEO-POL-005) and agreement on a model annual oversight report took longer than anticipated. During 2020 the Policy was finalized, the report format agreed upon and several oversight Annual Reports were presented. Remaining reports to be presented by March 2021.







## 2021 WORK PLAN PROJECTS REPORTS

## APPENDIX B

Department:	Administration Tier 1
<b>GOAL 1</b>	
Description:	Conduct a deep dive analysis of the top risks of PSEG Long Island. The analysis will include documenting the drivers which can cause the risk event to occur, an understanding of the consequences, and the mitigation actions currently being utilized to prevent it.
Strategic Initiative:	Enterprise Risk Management (ERM)
Shortened Goal Name:	ERM Deep Dive on Top PSEG Long Island Risks
Goal Type:	Team Goal
Objectives:	The objective of this project is to provide LIPA and PSEG Long Island senior management with a critical view of the organization's top risks along with the current mitigation strategies including projects dedicated to addressing the risk event. This will provide senior management the opportunity to modify mitigation actions where they deem it appropriate. The main objective is to reduce the probability that these significant risk events will occur.
Deliverables:	There will be meetings scheduled with senior management on all top risks of PSEG LI after a deep dive analysis is performed and mitigation actions are documented and evaluated by the ERM team.
Team Lead:	Corey Horowitz
<b>GOAL 2</b>	
Description:	Create a Diversity and Inclusion (D&I) Roadmap that identifies and executes best practices to support a sustainable D&I program
Strategic Initiative:	Diversity & Inclusion
Shortened Goal Name:	Create a Diversity & Inclusion Road Map
Goal Type:	Team Goal
Objectives:	This Roadmap will provide a clear vision of LIPA's 2-3 year plan for designing and executing a best practice D&I strategy in furtherance of the Board's Policy on Diversity and Inclusion. It will set out a wide range of initiatives to foster and promote a diverse and inclusive workplace and society in a sustained and systematic way.
Deliverables:	Provide a three-year strategic roadmap to help LIPA further develop a culture that values diversity and inclusion and sets out clear approaches and targets. It will set out our diversity and inclusion vision, our strategic goals and the steps we will take to realize this vision
Team Lead:	Barbara Ann Dillon
<b>GOAL 3</b>	
Description:	As part of LIPA's business strategy, design a two-year learning and development (L&D) strategy to develop LIPA's workforce's capabilities, skills and competencies and bring LIPA's performance and the performance of individuals to the next level.
Strategic Initiative:	Staffing & Employment
Shortened Goal Name:	Develop a Multi-Year Training and Development Strategy
Goal Type:	Individual

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Department:	Administration Tier 1
Objectives:	Create a training calendar, identify resources and deliver a 2-year L&D plan that provides the training needed to support and develop employees in the competencies LIPA has identified as necessary for success, will bring us to the next level of performance and are how we measure and evaluate employees; and the values we are expected to model. The multi-year theme is Path to Success: People, Projects, Processes. Within this theme, training will use multiple training channels: On-line classes/seminars, virtual instructor led training, webinars, coaching.
Deliverables:	<ul style="list-style-type: none"> <li>• A multi-year enterprise-wide training theme and calendar</li> <li>• Specific training identified, scheduled and delivered using the most effective and efficient means.</li> <li>• Twice a year employee surveys to gather feedback on training and to monitor training needs/ requests.</li> </ul>
Team Lead:	Barbara Ann Dillon
<b>GOAL 4</b>	
Description:	This project involves working with LIPA Subject Matter Experts (SMEs) to fully understand, identify areas that require additional development, and utilize the PSEG Long Island department risk profiles and their mitigation strategies to identify areas of risk that require priority attention.
Strategic Initiative:	ERM
Shortened Goal Name:	Utilization of PSEG Long Island Department Risk Profiles
Goal Type:	Team Goal
Objectives:	Enhance the ERM program to more closely partner with LIPA SMEs to better utilize PSEG Long Island department-level risk profiles and follow-up on the implementation and effectiveness of mitigation strategies for top risks and those requiring more thorough development of mitigation actions within each department at PSEG Long Island.
Deliverables:	The deliverable will be joint presentations (ERM and LIPA department personnel) to the LIPA ERMC in 2021 on the top risks in each department, including drivers and mitigation strategies.
Team Lead:	Corey Horowitz
<b>GOAL 5</b>	
Description:	Coordinate Board's review of LIPA's Policy Governance Model and implement necessary changes and recommendations from the Board.
Strategic Initiative:	Governance
Shortened Goal Name:	Policy Governance Model Review
Goal Type:	Team Goal
Objectives:	To facilitate the Board's review of its governance model and implement resulting changes and process improvements, including any necessary amendments to existing Board Policies or creation of new policies.
Deliverables:	Revised Policy Governance Model that reflects input from the Board.
Team Lead:	Bobbi O'Connor
<b>GOAL 6</b>	
Description:	Implement a process for appropriate members of LIPA staff to provide feedback up to the Board of Trustees, as requested by the Board.

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<b>Department:</b>	<b>Administration Tier 1</b>
<b>Strategic Initiative:</b>	Governance
<b>Shortened Goal Name:</b>	360-Reviews for LIPA Board
<b>Goal Type:</b>	Team Goal
<b>Objectives:</b>	In order to respond to the Board's request to provide feedback on its performance from staff, we will implement a form of 360-review to provide members of staff who have significant interaction with the Board the opportunity to provide constructive and meaningful feedback to the Board related to its performance.
<b>Deliverables:</b>	An annual review of Board performance conducted by appropriate members of staff and coordinated by the CAO.
<b>Team Lead:</b>	Bobbi O'Connor
<b>GOAL 7</b>	
<b>Description:</b>	Provide training and coaching to enhance the effectiveness of the feedback provided to staff to drive performance and solicit feedback for continued development as a manager/leader. Feedback channels include monthly Check-Ins, Annual Performance Appraisal, preparing and monitoring annual development plans, and real-time feedback for improvement and recognition.
<b>Strategic Initiative:</b>	Staffing & Employment
<b>Shortened Goal Name:</b>	Next Level Employee Feedback Project
<b>Goal Type:</b>	Individual
<b>Objectives:</b>	<p>To provide critical and constructive feedback to employees to bring them to next level performance.</p> <p>This project will support management employees by providing training and coaching to:</p> <ol style="list-style-type: none"> <li>1. Set and communicate high expectations regarding staff development and performance (moving from what it is to what it should be);</li> <li>2. Provide candid and effective feedback;</li> <li>3. Solicit and receive candid feedback from staff; and</li> <li>4. Proactively address lingering performance issues.</li> </ol>
<b>Deliverables:</b>	<ol style="list-style-type: none"> <li>1. Provide training on conducting effective performance evaluations (the written evaluation (January) and the performance evaluation meeting (March 15);</li> <li>2. Provide support on drafting development focused Annual Development Plans for each employee based on the performance evaluation and multi-rater (360) feedback (March 31);</li> <li>3. Deliver training for department heads and directors on conducting effective staff meetings (April);</li> <li>4. Enhance the Check-In process by shifting the focus from tasks/projects/work to an employee development focus by revising the template to focus on values, competencies and behaviors needed for success and the employee's annual development plan; and coaching supervisors about providing employees the opportunity to regularly discuss their development and professional growth.</li> <li>5. Develop quarterly anonymous employee survey for each department: <ul style="list-style-type: none"> <li>- communicate with department employees the value and importance of their feedback</li> <li>- discuss survey results with department heads</li> </ul> </li> </ol>
<b>Team Lead:</b>	Barbara Ann Dillon

## APPENDIX B

Department:	Administration Tier 1
<b>GOAL 8</b>	
Description:	Carry-over project: Preparing for a post-COVID Workplace
Strategic Initiative:	N/A
Shortened Goal Name:	Re-Imagine LIPA
Goal Type:	Team Goal
Objectives:	To prepare our workplace and our policies to support a post-COVID workforce.
Deliverables:	Post-COVID policies and an office environment to meet the needs of the organization and our workforce
Team Lead:	Barbara Ann Dillon

Department:	External Affairs & Communication Tier 1
<b>GOAL 9</b>	
Description:	Complete the review of LIPA's mission and vision and continue with progress on implementing a brand strategy.
Strategic Initiative:	Governance
Shortened Goal Name:	Carryover: Brand Strategy
Goal Type:	Team Goal
Objectives:	An effective brand strategy can enhance reputation, attract talent, increase employee engagement, and give clarity to LIPA's role on Long Island.
Deliverables:	Brand strategy provides a central, unifying idea around which all behavior, actions, and communications are aligned.
Team Lead:	Jennifer Hayen
<b>GOAL 10</b>	
Description:	Develop quarterly newsletter to engage stakeholders on important and timely issues and activities related to LIPA's operations.
Strategic Initiative:	Customer First
Shortened Goal Name:	Quarterly stakeholder newsletter
Goal Type:	Individual
Objectives:	Develop and issue a quarterly newsletter for stakeholders in addition to periodic constant contact updates on important and timely issues and activities.
Deliverables:	Issue quarterly newsletters tied into Trustees meeting agendas and coordinated with schedule of Community Advisory Board meetings.
Team Lead:	Jennifer Hayen

## APPENDIX B

Department:	Finance Tier 1
<b>GOAL 11</b>	
Description:	Identify and update financial policies for new ERP system processes.
Strategic Initiative:	N/A
Shortened Goal Name:	Update financial policies and control objectives
Goal Type:	Team Goal
Objectives:	Updates to financial processes and control objectives to ensure policies and controls are effective and efficient.
Deliverables:	Updated financial policies.
Team Lead:	Donna Mongiardo
<b>GOAL 12</b>	
Description:	PSEG Long Island is engaging a consultant to study charging infrastructure needed to support Long Island's 2025 light-duty ZEV goal and evaluate fleet services programs. LIPA's 2021 project is to review the study results and determine any additional steps needed to create a long-term EV roadmap for Long Island.
Strategic Initiative:	Clean
Shortened Goal Name:	Evaluate results of PSEG Long Island's EV consultant study and determine next steps toward 2025 EV goal and long-term EV roadmap
Goal Type:	Individual
Objectives:	Identify and map out programs and resources needed to achieve Long Island's EV goals.
Deliverables:	An assessment of PSEG Long Island's study results and recommended next actions for development of a long-term EV roadmap.
Team Lead:	Mark Smith
<b>GOAL 13</b>	
Description:	Under LIPA's direction, PSEG Long Island established a new regulatory tracking spreadsheet last year. However, updating is manual and updates are circulated by email. Opportunities to submit comments are occasionally missed or discovered late. Staffing and roles are not always clear. Project is to evaluate opportunities for improvement and then implement.
Strategic Initiative:	N/A
Shortened Goal Name:	Improve regulatory tracking and commenting process
Goal Type:	Team Goal
Objectives:	Establish a regulatory tracking process through which opportunities to comment are identified consistently and early, escalated appropriately, and decisions about whether to comment and "who does what by when" are made according to a clear and effective process.
Deliverables:	A new regulatory tracking system and documented process.
Team Lead:	Justin Bell



## APPENDIX B

Department:	Finance Tier 1
<b>GOAL 14</b>	
Description:	Review PSEG Long Island budget development process, make recommendations to strengthen the process in order to ensure department level budgets are aligned with workplans and the decision-making process provides for accountability and transparency. Develop a new Budget Development System that is robust, reliable and supports the enhanced budget process. The system should provide for budget development, budget forecasting and long-range planning required to support Power Markets needs.
Strategic Initiative:	Lean
Shortened Goal Name:	Develop and implement a Budget Process Improvement Program and associated New Budget Development System
Department:	Finance
Goal Type:	Team Goal
Objectives:	<ul style="list-style-type: none"> <li>- Strengthen PSEG Long Island budget planning process to ensure accurate budgets, improved planning, and more informative variance explanations.</li> <li>- Develop a unified, stable, flexible and transparent platform for budget development, financial planning, and monitoring.</li> <li>- System to be managed by LIPA and PSEG Long Island</li> <li>- System should provide for forecasting and what-if scenarios</li> <li>- System with built-in controls to reduce human error</li> <li>- Expandable to incorporate both published budget templates as well as drill down to supporting calculations and worksheets</li> <li>- Supports reporting of project balance sheet, capital structure, and associated ratios: Debt-to-asset ratio, 2.5% Delivery Revenue Test, Project Cost Variances</li> </ul>
Deliverables:	<ol style="list-style-type: none"> <li>1. Recommendations on PSEG Long Island budget process</li> <li>2. New budget development system</li> <li>3. New platform for long-term modeling</li> </ol>
Team Lead:	Gerry Ring
<b>GOAL 15</b>	
Description:	The implementation of 2020 Treasury Operations Review project will incorporate the recommendations from the Treasury Management System & Process Assessment (implementation in process) with the opportunities from the ERP implementation to improve efficiency within the Treasury functions.
Strategic Initiative:	Lean
Shortened Goal Name:	Treasury Operations Process Improvements
Goal Type:	Individual
Objectives:	Enhancement of the Treasury department operations and deliverables through improvements in strategy and operations.
Deliverables:	<ol style="list-style-type: none"> <li>1. Execute the plan to improve business processes</li> <li>2. Execute the plan to update policies/procedures where appropriate</li> <li>3. Execute the plan for Finance Long Term</li> <li>4. Execute the plan to improve Investor Relations</li> <li>5. Execute the plan to Integrate Finance in ERM framework</li> <li>6. Execute the plan to develop and implement Data Analytics</li> </ol>
Lead:	Tamela Monroe

## APPENDIX B

Department:	Finance Tier 1
<b>GOAL 16</b>	
Description:	LIBOR is the global reference rate for unsecured short-term borrowing in the interbank market. It is utilized as a benchmark for short-term interest rates and is used for pricing in LIPAs swap agreements. The benchmark will be discontinued in the fourth quarter of 2021. The project is to convert the swaps to a new benchmark.
Strategic Initiative:	N/A
Shortened Goal Name:	LIBOR benchmark transition
Goal Type:	Team Goal
Objectives:	Convert the existing swaps which contain the LIBOR benchmark to a new benchmark
Deliverables:	Maintain an executable swap portfolio with appropriate documentation
Team Lead:	Tamela Monroe
<b>GOAL 17</b>	
Description:	Carried over from 2020, this goal is to develop and execute a strategy to ensure that the rates we charge CCA and ESCO customers appropriately reflect the cost of serving those customers and are consistent with State policy.
Strategic Initiative:	Clean
Shortened Goal Name:	Develop and execute CCA/ESCO strategy
Value Ranking:	Tier 1
Goal Type:	Team Goal
Objectives:	Obtain Board approval of tariff changes needed to ensure that the rates we charge CCA and ESCO customers appropriately reflect the cost of serving those customers and are consistent with State policy.
Deliverables:	Tariff proposal to update Long Island Choice. Proposal will likely include a new non-bypassable charge to CCA/ESCO customers, in place of the existing bill credit and adjustment process.
Team Lead:	Justin Bell

## APPENDIX B

Department:	Innovation and Information Technology Tier 1
<b>GOAL 18</b>	
Description:	Implement Carryover from 2020 Cybersecurity enhancements: C2M2 recommendations (wave 2 priority). Implementation of Administrative and Technical Controls Phase 1 thru 3.
Strategic Initiative:	Physical and cyber security
Shortened Goal Name:	LIPA Cyber Security Enhancements
Goal Type:	Individual
Objectives:	Implement cybersecurity initiatives identified in 2020 roadmap to enhance LIPA's cybersecurity by one level within three years.
Deliverables:	Implementation of Administrative and Technical Controls
Team Lead:	Mujib Lodhi
<b>GOAL 19</b>	
Description:	Conduct Independent review of the PSEG LI Cybersecurity program (Design, Management, and Architecture)
Strategic Initiative:	Physical and cyber security
Shortened Goal Name:	PSEG Long Island Cyber Security Review
Goal Type:	Individual
Objectives:	Perform independent verification and validation of PSEG Long Island cybersecurity posture.
Deliverables:	IV&V Report
Team Lead:	Mujib Lodhi
<b>GOAL 20</b>	
Description:	Conduct Independent review of the PSEG LI IT/OT Communication Infrastructure (Design and Architecture)
Strategic Initiative:	Strategic planning and oversight
Shortened Goal Name:	PSEG Long Island IT/OT Communication Infrastructure Review
Goal Type:	Individual
Objectives:	Perform independent verification and validation of PSEG Long Island key communication infrastructure resiliency vs redundancy. (Preventive controls and measure in place to reduce the system disruptions).
Deliverables:	IV&V Report
Team Lead:	Mujib Lodhi
<b>GOAL 21</b>	
Description:	Implement Phase II of LIPA's Enterprise Resource Planning system (ERP-Business Process Improvements). Carryover from 2020
Strategic Initiative:	N/A
Shortened Goal Name:	ERP Modernization and Business Process Improvement Initiative

## APPENDIX B

<b>Department:</b>	<b>Innovation and Information Technology Tier 1</b>
<b>Goal Type:</b>	Team Goal
<b>Objectives:</b>	Complete the finance department end-to-end business Process improvement (BPI) initiative, including AP, Accounting, etc. In partnership with the CFO, identify business process improvement and automation opportunities to enhance business performance.
<b>Deliverables:</b>	Phase II completion
<b>Team Lead:</b>	Donna Mongiardo, Mujib Lodhi
<b>GOAL 22</b>	
<b>Description:</b>	Complete strategic roadmap development for Phase I projects for data analytics and begin implementation.
<b>Strategic Initiative:</b>	N/A
<b>Shortened Goal Name:</b>	Enhance Data Access & Analytics
<b>Goal Type:</b>	Individual
<b>Objectives:</b>	Create a multi-year LIPA data analytics roadmap/strategy and set up data analytics as a service within IT to help departments implement data analytics. In partnership with Finance, Operations Oversight and Internal Audit, identify and implement 2021 data analytics use cases to increase collaboration and effectiveness between departments and enhance oversight of PSEG Long Island through improved use of data analytics to enable customized analysis on data received from PSEG Long Island (e.g., financials, grid monitoring, outage management, system hardening, affiliate charges, fleet, etc. (We will also look at the utilities analytics use cases).
<b>Deliverables:</b>	Roadmap for data analytics
<b>Team Lead:</b>	Mujib Lodhi
<b>GOAL 23</b>	
<b>Description:</b>	Comprehensive review of PSEG Long Island storm performance
<b>Strategic Initiative:</b>	Customer First
<b>Shortened Goal Name:</b>	Isaias Task Force
<b>Goal Type:</b>	Team Goal
<b>Objectives:</b>	Conduct a comprehensive, independent review of PSEG Long Island's communications and service restoration systems before, during, and after Isaias, to: Identify root causes (operational and technical) of failures, Report to the LIPA Board and public on Task Force findings and recommendations for immediate and long-term corrective actions, and oversee PSEG Long Island's implementation of corrective actions.
<b>Deliverables:</b>	30, 90 and 270-Day Reports
<b>Team Lead:</b>	Mujib Lodhi, Rick Shansky

## APPENDIX B

Department:	Internal Audit Tier 1
<b>GOAL 24</b>	
Description:	Internal Audit and ERM will work together to identify the top enterprise risks to LIPA and PSEG Long Island to develop the 2022 Audit Plan.
Strategic Initiative:	ERM
Shortened Goal Name:	Take the Internal Audit Plan to the next level and integrate ERM into audit planning
Goal Type:	Team Goal
Objectives:	To ensure that the 2022 Internal Audit Plan includes the top enterprise risks to LIPA and PSEG Long Island.
Deliverables:	2022 Internal Audit Plan that includes the top enterprise risks to the LIPA and PSEG Long Island.
Team Lead:	Kathleen Mitterway
<b>GOAL 25</b>	
Description:	Evaluation of PSEG Long Island's fleet management practices using data analytics.
Strategic Initiative:	Lean
Shortened Goal Name:	Fleet Management
Goal Type:	Team Goal
Objectives:	Evaluate the efficiency of PSEG Long Island's fleet management practices, including decisions regarding repairing or replacing fleet, and use evaluation as a test case for development of data analytics dashboards and procedures.
Deliverables:	Recommendations for process improvements in fleet management. Data analytics data collection practices, dashboards, and requirements for a data analytics dashboard.
Team Lead:	Kathleen Mitterway
<b>GOAL 26</b>	
Description:	A repeatable P-Card exception reporting workflow to analyze 100% of the P-Card transactions monthly.
Strategic Initiative:	Lean
Shortened Goal Name:	Carryover - P-Card Robotic Process Automation ("RPA")
Goal Type:	Team Goal
Objectives:	<p>The objective of the P-Card Robotic Process Automation Project is to:</p> <ul style="list-style-type: none"> <li>• Increase test coverage, by analyzing 100% of the PSEG Long Island P-Card transactions.</li> <li>• Eliminate manual testing and sampling with automated monitoring of processes.</li> <li>• Create a repeatable process which will increase PSEG Long Island</li> <li>• Begin using new data analytic tools, which will be expanded after implementing this first project</li> </ul>
Deliverables:	A repeatable process to analyze 100% of the P-Card transactions monthly and a Results Storyboard (visualization of results).
Team Lead:	Kathleen Mitterway



## APPENDIX B

Department:	Legal Tier 1
<b>GOAL 27</b>	
Description:	Carryover Goal from 2020: LIPA LILCO Merger
Strategic Initiative:	N/A
Shortened Goal Name:	Merger of Subsidiary into LIPA
Goal Type:	Team Goal
Objectives:	IRS private letter ruling and preparation of the transaction.
Deliverables:	Private letter ruling establishing there are no tax consequences to the merger; merger of subsidiary extinguishing LILCO.
Team Lead:	Alex Pozdnyakov

Department:	Operations Oversight Tier 1
<b>GOAL 28</b>	
Description:	Oversee update of the 20-year Integrated Resource Plan.
Strategic Initiative:	Clean
Shortened Goal Name:	Integrated Resource Plan
Goal Type:	Team Goal
Objectives:	Analyze the potential transmission and generation needs for long term system reliability under a range of scenarios and in the context of economic and policy considerations, including: <ul style="list-style-type: none"> <li>• Meeting the clean energy requirements of the Climate Leadership and Community Protection Act (CLCPA), and</li> <li>• NYS Reliability Council and NYISO reliability planning criteria.</li> </ul>
Deliverables:	2021 Integrated Resource Plan
Team Lead:	Tom Simpson

<b>GOAL 29</b>	
Description:	Carryover: Develop a battery storage roadmap for LIPA's share of New York State's energy storage goals (1,500 MW statewide by 2025 and 3,000 MW by 2030) and oversee establishment and implementation of plans for meeting LIPA's resulting 2025 goal (approx. 200 MW by 2025).
Strategic Initiative:	Clean
Shortened Goal Name:	Battery Storage Roadmap
Goal Type:	Team Goal
Objectives:	Make sure sufficient energy storage gets installed on Long Island to meet LIPA's share of New York State's energy storage goals.
Deliverables:	BES PPAs and new T&D deferral storage projects for 2021 Utility 2.0 Plan.
Team Lead:	Tom Simpson

## APPENDIX B

Department:	Operations Oversight Tier 1
<b>GOAL 30</b>	
Description:	Develop metrics for analysis of emergency response effectiveness and implement oversight process improvements, including analytical assessments.
Strategic Initiative:	Customer First
Shortened Goal Name:	Analytical Assessment of Emergency Response
Goal Type:	Team Goal
Objectives:	Improve oversight of emergency response and implement analyses of response effectiveness.
Deliverables:	Updated emergency oversight policy, “use cases” and metrics for assessment of emergency response effectiveness.
Team Lead:	Donald Schaaf
<b>GOAL 31</b>	
Description:	Carryover of 2020 project to evaluate hardening strategy and alternatives and establish the plan for expenditures through 2025.
Strategic Initiative:	Customer First T&D reliability
Shortened Goal Name:	Storm hardening business case evaluation
Goal Type:	Team Goal
Objectives:	Identify the most cost-effective program(s) for improving the resiliency and reliability of the T&D system following Tropical Storm Isaias.
Deliverables:	Evaluation of the most cost-effective hardening programs and identification of needed changes or additions to capital budget line items, including Power On, Multiple Customer Outage program, Next Outage program, etc.
Team Lead:	Michael Simone
<b>GOAL 32</b>	
Description:	Manage LIPA/PSEG Long Island participation in the PSC’s T&D Planning and Public Policy Transmission Planning proceedings, providing policy and strategic guidance on cost/benefit analysis and cost allocation.
Strategic Initiative:	Clean
Shortened Goal Name:	Manage LIPA/PSEG participation in the PSC’s T&D Planning and Public Policy Transmission Planning proceedings
Goal Type:	Team Goal
Objectives:	Assure fair treatment of LIPA T&D projects and approval of necessary public policy projects with fair allocation of costs across the state.
Deliverables:	LIPA filings and PSC decisions on same.
Team Lead:	Michael Simone

## APPENDIX B

Department:	Senior Advisor for Oversight Tier 1
<b>GOAL 33</b>	
Description:	LIPA and PSEG Long Island need to prepare an application and seek approval for the use of the excess FEMA grant funds. Currently the plan is to apply these excess funds to continuing Storm mitigation activities
Strategic Initiative:	Lean
Shortened Goal Name:	Use of excess Sandy related grant Funds
Goal Type:	Team Goal
Objectives:	To be granted permission to use the excess funds as proposed to FEMA to continue storm mitigation activities on the overhead system.
Deliverables:	Prepare a summary of proposal. Deliver high level proposal to DHSES. Once feedback on proposal is granted begin the process of completing the proposal for FEMA.
Team Lead:	Kenneth Kane
<b>GOAL 34</b>	
Description:	Oversee the preparation of the claim by PSEG Long Island for Tropical Storm Isaias to ensure that materials are prepared in a manner that allows for the use of data analytics to ensure timely application, appropriate support and eventual FEMA recovery.
Strategic Initiative:	Lean
Shortened Goal Name:	Oversee FEMA Isaias reimbursement process
Goal Type:	Team Goal
Objectives:	To file the Isaias claim during 2021 and maximize future recovery through use of data analytics to ensure proper documentation and support.
Deliverables:	Project Worksheets Invoice packages and other support, such as procurement records, vendor invoices, proof of payment, etc. to be presented to DHSES to support costs incurred.
Team Lead:	Kenneth Kane
<b>GOAL 35</b>	
Description:	Review and update LIPA storm invoice review procedure and review effectiveness of storm invoice reviews and process. Review opportunities to utilize accounting staff for FEMA claims review. Review opportunities for automation through continuous auditing software of storm invoices.
Strategic Initiative:	Lean
Shortened Goal Name:	Update LIPA storm invoice review procedures for FEMA compliance
Goal Type:	Team Goal
Objectives:	To ensure the storm invoice procedures are appropriate and reflect best practices. To review the effectiveness of our review procedures, opportunities to use accounting staff to review FEMA claims, and opportunities to deploy continuous auditing software for all storms.
Deliverables:	Updated procedure document, new staffing plan to review storm invoices using accounting staff, trained accounting staff, implementation of continuous auditing software.
Team Lead:	Kenneth Kane, Mujib Lodhi

## APPENDIX B

Department:	Administration Tier 2
<b>GOAL 36</b>	
Description:	Develop a risk correlation matrix that identifies inter-dependencies between risks across business units to improve and align mitigation strategies, increase awareness between SMEs, and inform resource allocations.
Strategic Initiative:	ERM
Shortened Goal Name:	Develop a Risk Correlation Matrix
Goal Type:	Team Goal
Objectives:	Identify common drivers and triggers for risks, increase communication and awareness between SMEs for inter-related risks, and help to better inform resource allocations.
Deliverables:	Risk correlation matrix tying major risks to those across the organization that could impact the outcome of the risk, facilitation of cross-functional conversations between SMEs who own risks that are inter-dependent with risks in other lines of business.
Team Lead:	Jessica Dehnert
<b>GOAL 37</b>	
Description:	Review State-recommended climate disclosure process and PSC Order for utilities together with industry best practices. Develop and execute plan to incorporate recommendations into annual financial disclosure process.
Strategic Initiative:	Clean
Shortened Goal Name:	Implement Climate Financial Disclosure Best Practices
Goal Type:	Team Goal
Objectives:	<ul style="list-style-type: none"> <li>• Review State climate financial disclosure recommendations</li> <li>• Review industry best practices</li> <li>• Implement State recommendations, as modified if needed by industry best practices or LIPA-specific considerations</li> <li>• Test new process in 2021</li> </ul>
Deliverables:	<ul style="list-style-type: none"> <li>• Summary of State recommendations and best practices</li> <li>• (If State recommendations adopted) Complete CDP (Carbon Disclosure Project) questionnaire in 2021</li> </ul>
Team Lead:	Bobbi O'Connor

Department:	External Affairs & Communication Tier 2
<b>GOAL 38</b>	
Description:	With the implementation of the new LIPANet in 2020, we will look to understand current user engagement among staff, and potentially consider implementing a LIPANet 2.0 for 2021-2022 to drive increases in use.
Strategic Initiative:	N/A
Shortened Goal Name:	LIPANet 2.0
Goal Type:	Team Goal
Objectives:	Our goal is to have LIPANet be a collection of knowledge designed to connect teams across locations and departments.

## APPENDIX B

<b>Department:</b>	<b>External Affairs &amp; Communication Tier 2</b>
<b>Deliverables:</b>	Ensure intranet design is engaging and there is a plan for content to be up-to-date, accurate, vetted, and detailed.
<b>Team Lead:</b>	Jen Hayen
<b>GOAL 39</b>	
<b>Description:</b>	Continue with work of 2020 history project to create a visual timeline in office, as well as page on lipower.org.
<b>Strategic Initiative:</b>	N/A
<b>Shortened Goal Name:</b>	Carryover: History of LIPA
<b>Goal Type:</b>	Individual
<b>Objectives:</b>	Create a history of LIPA for website and employees.
<b>Deliverables:</b>	Provide an education tool for employees, customers, and stakeholders to understand our past and goals as we look towards the future.
<b>Team Lead:</b>	Jen Hayen
<b>GOAL 40</b>	
<b>Description:</b>	Complete an undergrounding project with an interested municipality (party) using the tariff.
<b>Strategic Initiative:</b>	Customer First
<b>Shortened Goal Name:</b>	Completion of Undergrounding Project
<b>Goal Type:</b>	Team Goal
<b>Objectives:</b>	Identify an interested municipality (party) and utilize the relatively new undergrounding tariff to complete an undergrounding project.
<b>Deliverables:</b>	Work with a local municipality (party) to identify, develop, construct, and finance an undergrounding project using LIPA's tariff for financing.
<b>Team Lead:</b>	Michael Deering
<b>GOAL 41</b>	
<b>Description:</b>	Develop educational and informational materials and opportunities to maximize exposure to, and value provided by, JBENC.
<b>Strategic Initiative:</b>	Customer First
<b>Shortened Goal Name:</b>	Develop Educational Programs for JBENC
<b>Goal Type:</b>	Individual
<b>Objectives:</b>	Work in coordination with director and educational staff of JBENC, NYS Parks staff, and PSEG Long Island staff to develop educational programs, seminars, conferences and other informational materials for JBENC.
<b>Deliverables:</b>	Educational programs for various constituencies (including businesses; consumers; colleges, vocational and trade schools). Up-to-date JBENC website.
<b>Team Lead:</b>	Michael Deering



## APPENDIX B

Department:	Finance Tier 2
<b>GOAL 42</b>	
Description:	Develop guidelines for when and how green bonds or sustainability bonds should be incorporated into LIPA's processes for planning and issuing bonds.
Strategic Initiative:	Clean
Shortened Goal Name:	Develop green bond guidelines
Goal Type:	Individual
Objectives:	Incorporate green bonding into regular LIPA financing processes to the extent reasonable, following State recommendations.
Deliverables:	New guideline or process document. Sell green bonds as part of 2021 new money bond sale.
Team Lead:	Chris DiGilio
<b>GOAL 43</b>	
Description:	Evaluate PSEG Long Island's process for managing telecommunication assets and maximizing revenues from such asset attachments.
Strategic Initiative:	Lean
Shortened Goal Name:	Carryover - Telecommunication attachment revenue optimization
Goal Type:	Team Goal
Objectives:	To ensure PSEG Long Island is properly reviewing the asset portfolio for additional opportunities for telecommunication attachments to increase revenue opportunities.
Deliverables:	Process document from PSEG Long Island on its plan to market the telecommunication asset portfolio.
Team Lead:	Donna Mongiardo
<b>GOAL 44</b>	
Description:	Carryover: Obtain approval of a prepay transaction from AG/OSC and execute transaction.
Strategic Initiative:	Lean
Shortened Goal Name:	Prepay transaction
Goal Type:	Team Goal
Objectives:	Obtain approval of transaction from AG/OSC and execute transaction.
Deliverables:	Completion of a prepay transaction.
Team Lead:	Chris Digilio

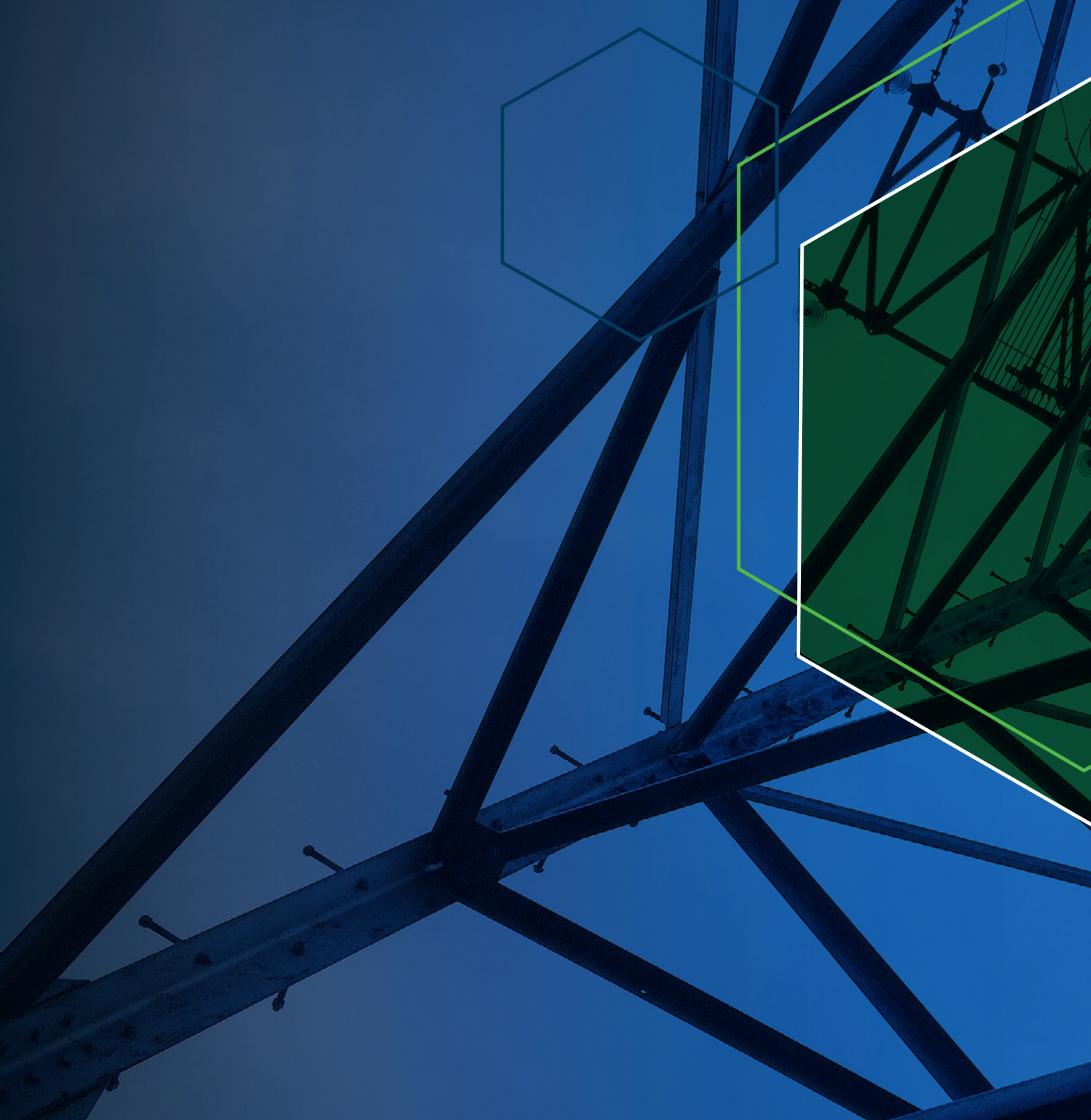
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Department:	Legal Tier 2
<b>GOAL 45</b>	
Description:	Carryover Goal from 2020: Develop comprehensive long-range plan for LIPA facilities including operational sites.
Strategic Initiative:	Lean
Shortened Goal Name:	Management of LIPA Properties and Facilities
Goal Type:	Team Goal
Objectives:	Comprehensive long-range plan for LIPA facilities including operational sites
Deliverables:	<ul style="list-style-type: none"> <li>• Continue to meet with PSEG Long Island to obtain resources to develop long range plan</li> <li>• Continue to meet with National Grid to facilitate separation of colocated sites</li> </ul>
Team Lead:	Mujib Lodhi
<b>GOAL 46</b>	
Description:	Carryover Goal from 2020: Work with DoIT to deploy an enterprise document and records management system that integrates record retention policies across LIPA.
Strategic Initiative:	N/A
Shortened Goal Name:	Enterprise Document and Records Management System
Goal Type:	Team Goal
Objectives:	Simplify and automate LIPA's management, retention and disposition of records in compliance with NYS and federal requirements.
Deliverables:	Integrate software with retention regulations and train Staff and implement enterprise-wide
Team Lead:	Jim Miskiewicz, Mujib Lodhi
Department:	Operations Oversight Tier 2
<b>GOAL 47</b>	
Description:	Research best practices around the country for DER interconnection process. Streamline SGIP simplifying document into user friendly format targeted at stakeholders. Provide transparency of the steps in the SGIP process for oversight and stakeholder. Establish an escalation process that is transparent for stakeholders as well as PSEGLI, DPS and LIPA. Establish procedure for measuring customer/contractor satisfaction for this process.
Strategic Initiative:	Clean
Shortened Goal Name:	Improve PSEGLI Interconnection process for Distributed Resources
Goal Type:	Team Goal
Objectives:	Align with the CLCPA by facilitating DER readiness as a leader in interconnection processing and policy.
Deliverables:	Utility benchmark study Proposed revisions to SGIP Customer satisfaction measurement procedure Case Escalation process/Ombudsman
Team Lead:	Pete Mladinich

## APPENDIX B

Department:	Operations Oversight Tier 2
<b>GOAL 48</b>	
Description:	Assess PSM and FM Metrics against industry best practices and identify desired changes
Strategic Initiative:	Strategic planning and oversight
Shortened Goal Name:	PSM/FM Metric review and Benchmark study
Goal Type:	Team Goal
Objectives:	Benchmark the current PSM and FM metrics with other utilities performing such services. Review current PSM and FM metrics for desired changes in metrics or targets.
Deliverables:	Benchmark how PSM and FM Metrics compare with PSM and FM Metrics of other utilities (e.g., Con Edison, NYPA, LPPC members). Develop recommendations for new or changed metrics and/or targets for future PSM/FM metric negotiations.
Team Lead:	Ben Chu

Department:	Legal Tier 3
<b>GOAL 49</b>	
Description:	IT, Rates and Legal to work together to adopt a platform for LIPA and its service provider to house interrogatory requests (IRs) and document requests and responses, such as the Caseworks platform.
Strategic Initiative:	N/A
Shortened Goal Name:	Caseworks Platform for IRs
Goal Type:	Team Goal
Objectives:	To have a single coordinated shared platform with PSEG Long Island for all document requests and IRs from Staff and other parties and to manage all responses to such requests from DPS and in various proceedings and litigation.
Deliverables:	<ol style="list-style-type: none"> <li>1. Come to an understanding with PSEG Long Island on the value of a shared platform owned by LIPA and not tied to PSEG NJ to maximize efficiency in responding to IRs in the short timeframe provided for DPS and other requests.</li> <li>2. DoIT to meet with vendor to determine license with Caseworks, based on prior research with this and other potential vendor.</li> <li>3. Rates and Legal to coordinate with DoIT in meeting with vendor, understanding capabilities of platform and for sharing access with PSEG Long Island.</li> <li>4. Purchase platform install and implement, with training for all users.</li> </ol>
Team Lead:	Anna Chacko and Mujib Lodhi



March 19, 2021

Dear Stakeholders:

Section 2800 of New York's Public Authorities Law requires the Long Island Power Authority (LIPA) to file reports describing, among other things, its operations and accomplishments, mission statement, and measurements. The enclosed Annual Work Plan Report summarizes the accomplishments of LIPA's staff towards the objectives presented to the Board in 2020 and the projects that are planned for 2021. The 2021 projects build on 2020's accomplishments and advance LIPA's mission to enable clean, reliable, and affordable electric service and the Board's vision to be **Clean, Lean, and Customer First**.

With sincere regards,

/s/ Bobbi O'Connor

[2020-2021 Annual Work Plan Report](#)