FOR CONSIDERATION
October 29, 2021

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Consideration of Approval of Process Improvement Recommendations for Outage Determinations

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution related to certain recommendations to improve the Root Cause Analysis (“RCA”) process and practices of PSEG Long Island relating to outage determinations, which resolution is attached hereto as Exhibit “A.”

Background

PSEG Long Island operates and maintains approximately 15,000 miles of transmission and distribution (“T&D”) assets owned by LIPA. Leading utilities in the United States utilize an RCA process to enhance the outage cause determination to better define the reasons for electric distribution disturbances. While PSEG Long Island currently utilizes a high level “outage cause” determination methodology, LIPA notes that the methodology lacks sufficient detail thereby leading to many outages being classified as “unknown” or potentially mis-classified. The findings of the RCA provide greater definition to the actions that need to be taken to avoid or minimize the impacts. The findings and recommendations of the RCA process will guide PSEG Long Island to ensuring the events caused by faulty components of the system are mitigated and do not reoccur. The RCA initiative is intended to benefit LIPA customers by progressing in key outcome areas:

- Outage reduction
- Electric System reliability improvement
- Identify compliance issues
- Reduction of “unknown” disturbance causes
- Improved safety
- Design improvements
- Vegetation management intelligence
- Targeted equipment maintenance
- Higher customer satisfaction
- Improved stakeholder management/relations

Recommendations

LIPA Staff recommends the Board adopt the following recommendations:

1. Development of comprehensive RCA processes. PSEG Long Island should focus on analyzing the cause of system/circuit disturbances using a process identifying the most basic “root” cause.
2. Development of a process for event tracking and remediation planning. The results of the RCA will be the impetus for recommendations to improve electric system operations.

3. Development of fact-based behavior. Develop and deliver comprehensive “Change Management” principles to improve the employees' overall understanding and compliance with the RCA process.

4. Development of RCA reporting. A monthly report of the RCA progress on outage analysis and remediation, a copy of which should be provided to LIPA.

PSEG Long Island should prepare Project Implementation Plans (“PIPs”) for each recommendation no later than November 30, 2021. The LIPA T&D Oversight Staff will provide additional detail regarding certain recommendations that should be incorporated into the PIPs, as needed. The PIPs will be presented to the Board for their consideration at its December 2021 meeting.

**Recommendation**

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

**Attachments**

**Exhibit “A”** Resolution
RESOLUTION ADOPTING PROCESS IMPROVEMENT RECOMMENDATIONS FOR OUTAGE DETERMINATIONS

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

WHEREAS, leading utilities in the United States utilize a Root Cause Analysis (“RCA”) process to enhance the outage cause determination to better define the reasons for electric distribution disturbances; and

WHEREAS, the findings of the RCA give greater definition to the actions that need to be taken to avoid or minimize the impacts; and

WHEREAS, the findings and recommendations of the RCA process will guide PSEG Long Island to ensuring the events caused by faulty components of the system are mitigated and do not reoccur; and

WHEREAS, the recommendations require the development and preparation of a Project Implementation Plan to ensure that the recommendations are acted on in a timely manner.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the recommendations as set forth in the accompanying memorandum; and

BE IT FURTHER RESOLVED, that the Board directs LIPA Staff, together with PSEG Long Island, to implement the Root Cause Analysis Recommendations, including the creation of Project Implementation Plans for the Board’s consideration at its December 2021 meeting.

Dated: October 29, 2021