

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 302nd MEETING

HELD ON SEPTEMBER 22, 2021

The Long Island Power Authority (“LIPA”) was convened for the three hundred and second time at 11:21 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on September 17, 2021, and electronic notice posted on the LIPA’s website.

The following LIPA Trustees were present:

Sheldon Cohen, Acting Chair (in person)
Mark Fischl, Vice Chair (via video conferencing)
Elkan Abramowitz (via video conferencing)
Valerie Anderson Campbell (via video conferencing)
Drew Biondo (via video conferencing)
Rev. Alfred Cockfield (in person)
Nancy Goroff (via video conferencing)
Lauren Harris (via video conferencing)
Ali Mohammed (via video conferencing)

Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, Chief Administrative Officer & Board Secretary; Mujib Lodhi, Chief Information Officer and Senior Vice President of Customer Experience; Tamela Monroe, Chief Financial Officer; Rick Shansky, Senior Vice President of Power Supply and Whole Markets; Billy Raley, Senior Vice President of T&D Oversight; Jen Hayen, Director of Communications, and Andrew Berger, Communications Assistant. Participating via video conferencing were Anna Chacko, General Counsel; Donna Mongiardo, Vice President-Controller; Justin Bell, Vice President of Public Policy and Regulatory Affairs; Tom Locascio, Director of External Affairs; Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board; and Osman Ahmad, IT-Consultant.

Representing Leading Resources, Inc., via video conferencing was Eric Douglas, Senior Partner.

Acting Chair Cohen welcomed everyone to the 302nd meeting of the Long Island Power Authority Board of Trustees. In his opening remarks, Acting Chair Cohen acknowledged and congratulated the two new Trustees recently appointed to the Board of Trustees, Valerie Anderson Campbell and Nancy Goroff.

Acting Chair Cohen stated that the first item on the agenda was the Consideration of the Consent Agenda Items.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously adopted by the Trustees based on the memoranda summarized below:

1664. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 11, 2021 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on August 11, 2021 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

Acting Chair Cohen stated that the next item on the agenda was the Consideration of Resolution Honoring Service of Former Trustee Peter J. Gollon, Ph.D. to be presented by Thomas Falcone.

Mr. Falcone and several Trustees conveyed their thoughts and appreciation regarding the service and dedication of former Trustee Gollon. After requesting a motion on the matter, which was seconded, the following resolution was approved by the Trustees.

**1665. THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY
RECOGNIZES THE DEDICATED SERVICE OF PETER J. GOLLON, PH.D.**

WHEREAS, Trustee Peter J. Gollon, Ph.D. has a distinguished record of service to his community through his scientific and environmental achievements, including his work at the Brookhaven National Laboratory, serving as Energy Chair of the Long Island Sierra Club, and as an original member of the PSEG Long Island Environmental Advisory Committee established in 2014; and

WHEREAS, Trustee Gollon also served on the Board of Directors of the Illinois and the New York State branches of the American Civil Liberties Union, and was awarded Director Emeritus of the New York State branch in recognition of his valuable contributions; and

WHEREAS, Trustee Gollon was appointed to the LIPA Board of Trustees in June 2016 and during his tenure advanced New York State's transition to a carbon-free electric grid; and

WHEREAS, Trustee Gollon was critical in approving the first contract for an offshore windfarm in federal waters, three of the largest solar farms in New York, policies for a vibrant rooftop solar industry on Long Island, and new initiatives to promote the beneficial electrification of heating and transportation; and

WHEREAS, Trustee Gollon strongly believed in LIPA's purpose of service to our customers and community and advocated for an outwardly facing, transparent, and open dialogue with our stakeholders; and

WHEREAS, Trustee Gollon diligently read *every* memorandum, resolution, report, and presentation, including appendices, found the occasional typo, and contributed his knowledge and expertise to all of the Board's deliberations; and

WHEREAS, Trustee Gollon diligently served the people of Long Island and the Rockaways during his tenure on the LIPA Board and used his experience in the scientific and environmental community to be a vocal advocate for a smarter, cleaner, and more affordable electric grid; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby duly recognizes the friendship and faithful service of Trustee Peter J. Gollon, Ph.D.

Acting Chair Cohen stated that the next item on the agenda was the CEO's Report to be presented by Thomas Falcone.

Mr. Falcone presented the CEO Report and took questions from the Trustees.

Acting Chair Cohen stated that the next item on the agenda was the Discussion of Isaias Task Force Quarterly Report and Board Recommendations and Implementation Plans to be presented by Mujib Lodhi.

Mr. Lodhi presented the Discussion of Isaias Task Force Quarterly Report and Board Recommendations and Implementation Plans and took questions from the Trustees.

Mr. Lodhi then presented the following action item, Consideration of Adoption of the Isaias Task Force Quarterly Report and Certain Implementation Plans, just briefed by LIPA Staff.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution adopting the Isaias Task Force (the “Task Force”) Quarterly Report (the “Quarterly Report”) and certain Project Implementation Plans (“PIPs”), which resolution is attached hereto as Exhibit “A.”

Background

On Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour. The resulting damage to the electrical system caused approximately 646,000 customer outages.

On August 5, LIPA’s Chief Executive Officer initiated an independent investigation of the circumstances and root causes that led to well-documented lapses in PSEG Long Island’s storm response. The Task Force was charged with providing actionable recommendations and overseeing PSEG Long Island’s remediation activities.

The Task Force presented a 30-Day Report to the Board on September 23, 2020 and a 90-Day Report to the Board on November 18, 2020. As set forth in Appendix 2 and Appendix 3 of the 90-Day Report, the Task Force provided actionable recommendations for the Board’s consideration (the “Task Force Recommendations”).

Between November 2020 and this Board meeting, the Board adopted various PIPs for the Task Force Recommendations and directed PSEG Long Island to resubmit certain PIPs to better address the Board’s objectives.

Additionally, between December 2020 and this meeting, the Board adopted recommendations covering operational areas, including risk management, budgeting and reporting, real estate, asset management, inventory management, collections, affiliate services, strategic planning, information technology, small generator interconnection, and workforce management, among others (the “Management Recommendations”).

In total, the Board has adopted 167 recommendations resulting in 146 PIPs, which are in various stages of implementation by PSEG Long Island. The Board has directed staff to submit quarterly status updates on the implementation of each of these PIPs in the form of Quarterly Reports. The first Quarterly Report was adopted by the Board on June 23, 2021. The Quarterly Reports address the status of each recommendation based on PSEG Long Island’s monthly status reporting to LIPA. The Reports also describe the status of LIPA’s independent verification and validation of the remediation of each recommendation.

The Second Quarterly Report

The second Quarterly Report, attached hereto as Exhibit “B”, summarizes the status of each of the Task Force and Management Recommendations. The second Quarterly Report pays particular attention to describing the progress made since June 2021.

Discussion of Implementation Plans

In August, PSEG Long Island submitted revised PIPs for 5 of the 21 Task Force and Management recommendations open as of the last Quarterly Report. PSEG Long Island also submitted two deliverables for Task Force review, one PIP addressing three recommendations on strategic planning, and one PIP for two recommendations addressing Grid Resiliency.

The Task Force recommends the Board adopt three of the seven PIPs submitted by PSEG Long Island as attached hereto as Exhibit “C”.

PSEG Long Island has not yet submitted one Tier 2 PIP and did not submit 14 revised PIPs to address prior PIPs that the Board rejected in the December, February, March, and May meetings.

These remaining plans should also be submitted. The remaining 18 PIPs shall be submitted by PSEG Long Island for staff review no later than October 10, 2021 for consideration at the Board’s October meeting.

Recommendation

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

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1666. RESOLUTION ADOPTING THE ISAIAS TASK FORCE QUARTERLY REPORT AND CERTAIN IMPLEMENTATION PLANS

WHEREAS, on Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour, resulting in damage to the electrical system and causing approximately 646,000 customer outages; and

WHEREAS, pursuant to Section 1020-f(y) of the Public Authorities Law, General Powers of the Authority, LIPA, in part, may “make any inquiry, investigation, survey or study which the authority may deem necessary to enable it effectively to carry out the provisions of this title. . .”; and

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, on August 5, 2020, LIPA’s Chief Executive Officer initiated an independent review of the circumstances and root causes that led to the lapses in PSEG Long Island’s Tropical Storm Isaias storm restoration; and

WHEREAS, LIPA’s Chief Executive Officer appointed an Isaias Task Force that was charged with both providing actionable recommendations and overseeing PSEG Long Island’s remediation activities; and

WHEREAS, the Task Force presented the 30-Day Report to the Board at the September 23, 2020 Board Meeting and released it to the public; and

WHEREAS, on November 18, 2020, the Task Force presented the 90-Day Report, which provided recommendations to, among other things, (i) Change Management Incentives and Accountabilities; (ii) Reform Information Technology and Emergency Management; and (iii) Strengthen LIPA’s Oversight (together with the 30-Day Report recommendations, the “Task Force Recommendations”); and

WHEREAS, the Board has adopted additional recommendations since December 2020 to address management deficiencies outside the scope of the Task Force review; and

WHEREAS, the Board has requested written Quarterly Reports with a comprehensive summary of the status of the implementation of all of the Board-adopted recommendations until all such recommendations have been completed; and

WHEREAS, on June 23, 2021, the Board adopted the first Quarterly Report; and

WHEREAS, LIPA Staff has submitted to the Board the second Quarterly Report along with three Implementation Plans recommended for the Board's approval; and

NOW, THEREFORE, BE IT RESOLVED, that the Board adopts the Quarterly Report; and

BE IT FURTHER RESOLVED the Board hereby adopts Implementation Plans for the Task Force and Management Recommendations attached hereto as Exhibit "C"; and

BE IT FURTHER RESOLVED, the Board hereby directs PSEG Long Island to amend the 18 remaining Implementation Plans to address the comments provided and resubmit such plans to for review on or before the Board's October 2021 meeting.

Acting Chair Cohen stated that the next item on the agenda was the Consideration of Approval of Power Purchase Agreement for Riverhead 2 to be presented by Rick Shansky.

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

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to approve and adopt a resolution authorizing the Chief Executive Officer or his designee to execute a Power Purchase Agreement ("PPA") with Riverhead Solar 2, LLC ("Riverhead Solar 2"), and to take such other actions as may be reasonably necessary to facilitate the purchase of energy, generation capacity and renewable attributes from the 36 MW solar generating facility being developed by Riverhead Solar 2, a limited liability company indirectly owned by the AES Corporation and Alberta Investment Management Company.

Background

On December 22, 2015, PSEG Long Island issued a Request for Proposals for New, Renewable Capacity and Energy ("2015 Renewable RFP"), which sought to expand LIPA's portfolio of renewable resources. Responses to the 2015 Renewable RFP were received on June 22, 2016, and evaluation results were presented to the Board at the July 26, 2017 meeting with the recommendation for the selection of a 22.9 MW solar facility and a 36 MW solar facility, both to be constructed in Calverton, New York. The 22.9 MW PPA with LI Solar Generation, LLC is currently in effect.

Riverhead Solar 2 will develop a 36 MW solar photovoltaic electric generating facility (the “Project”) adjacent to the existing Riverhead Solar 1 facility in Calverton. Both projects will be interconnected with the LIPA Edwards Avenue Substation. As a generating project larger than 25 MW, Riverhead Solar 2 was required to undergo an environmental review pursuant to Article 10 of the Public Service Law. As a result of recent regulatory changes, Riverhead Solar 2 was eligible for an accelerated siting process. It received a “94-c” siting permit on June 25, 2021. Subsequently, PSEG Long Island and Riverhead Solar 2 completed negotiations for a PPA.

Under the terms of the proposed PPA, LIPA will purchase all the capacity, energy, and renewable attributes produced by the Project for a twenty (20) year term, at a total cost of approximately \$200 million. The target Commercial Operation Date (“COD”) is June 1, 2023.

The PPA includes an option for LIPA to extend the term for an additional 10 years at a discounted price. The energy produced by the Project will contribute to meeting LIPA’s share of the State’s renewable energy goals. Purchases from the Project are estimated to increase residential customer bills by 24 cents per month as compared to the alternative cost of NYISO market purchases.

The terms of the PPA are consistent with, if not more favorable than, the Riverhead Solar 2 proposal that was selected in 2017. The PPA requires Riverhead Solar 2 to obtain all required Federal, State, and local permits and reach a key Project construction milestone by a certain date.

Riverhead Solar 2 would be subject to payment of specified liquidated damages for failure to meet the construction milestones. The PPA is a pay-for-performance contract, i.e., Riverhead Solar 2 gets paid only when it provides energy. Riverhead Solar 2 has committed to a performance guarantee so that LIPA will receive at least the guaranteed quantity of solar energy or be compensated by Riverhead Solar 2 for any shortfall. Moreover, LIPA has the right to terminate the PPA in the event of chronic underperformance.

Riverhead Solar 2 will be the largest solar project on Long Island and among the larger projects in New York to date.

Recommendation

For the foregoing reasons, I recommend that the Trustees authorize the Chief Executive Officer or his designee to take all actions, including, without limitation, execution of the Riverhead Solar 2 PPA and all other related agreements to enable the Authority’s purchase of renewable power from the Riverhead Solar 2 Project described above.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1667. AUTHORIZATION TO ENTER INTO POWER PURCHASE AGREEMENT WITH RIVERHEAD SOLAR 2, LLC FOR THE PURCHASE OF ELECTRICITY AND RENEWABLE ATTRIBUTES

WHEREAS, pursuant to the December 22, 2015 Request for Proposals for New, Renewable Capacity and Energy issued and administered by PSEG Long Island, LIPA staff selected a proposal by Riverhead Solar 2, LLC (“Riverhead Solar 2”) to develop a 36 MW solar generating facility (“Project”) in Calverton; and

WHEREAS, the Project represents a source of clean renewable energy that will contribute to LIPA meeting the renewable energy goal established by the Trustees and LIPA’s renewable energy obligations under the Renewable Energy Standard and the Climate Leadership and Community Protection Act; and

WHEREAS, LIPA and Riverhead Solar 2 have negotiated the major terms and conditions of a Power Purchase Agreement (“PPA”) under which Riverhead Solar 2 will construct, own, operate and maintain the Project and sell the capacity, energy and renewable attributes produced by the Project to LIPA for a term of 20 years, with an option for LIPA to extend the term for an additional 10 years.

NOW, THEREFORE, BE IT RESOLVED, that the Chief Executive Officer and his designee be and hereby are authorized to execute and effect a PPA and other related agreements and arrangements, consistent with the terms of the accompanying memorandum, and to perform such further acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or his designee, to implement LIPA’s purchase of electricity and renewable attributes from Riverhead Solar.

Acting Chair Cohen stated that the next item on the agenda was the Consideration of Approval of the Annual Report on the Board Policy for Strategic Planning and Oversight to be presented by Bobbi O’Connor.

Ms. O’Connor presented the following action item and took questions from the Trustees.

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.

2020k 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.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1668. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON OVERSIGHT AND LIPA OPERATIONS

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.

Acting Chair Cohen stated that the next item on the agenda was the Consideration of Approval of the Annual Report on the Board Policy on Construction of Transmission and Distribution Projects to be presented by Billy Raley.

Mr. Raley presented the following action item and took questions from the Trustees.

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 the Construction of Transmission and Distribution Projects (the “Policy”); and (ii) finding that LIPA has complied with the Policy, which resolution is attached hereto as Exhibit “A”.

Background

By Resolution No. 1383, dated September 27, 2017, the Board adopted the Policy with the purpose of supplementing existing requirements and practices and to guide consistent

decision making related to: (i) the evaluation of system-wide benefits and costs for underground construction of projects where such benefits may exceed their costs; and (ii) public outreach prior to construction of major projects. The Policy was last reviewed on September 23, 2020.

Compliance with the Policy

LIPA Staff recommends that, for the reasons set forth below, the Board find that the Authority has complied with the Policy for the period since the review of the Policy last year.

The Policy requires that the Chief Executive Officer annually report to the Board on compliance with the key provisions of the Policy. The key provisions of the Policy require that LIPA and PSEG Long Island:

“For transmission projects designed for voltages 65 kV and above that are not subject to Article VII, prepare a pre-construction report containing an advantage-disadvantage analysis using standardized criteria for evaluating the system-wide benefits and costs to the public of construction of overhead versus underground transmission projects similar to the criteria used by New York utilities subject to Title 16 of the New York Codes, Rules and Regulations (“NYCRR”) Part 102⁴, such report to be done sufficiently far in advance of construction to inform the public outreach and project planning process”:

- The report to the Board in 2020 detailed the proposed construction of a new 69kV transmission line from the Ruland Road substation to the Plainview substation, mainly located in the Town of Oyster Bay and partly located in the Town of Huntington. In compliance with the Policy, PSEG Long Island prepared the required analysis that evaluated the system-wide benefits and costs to the public of construction of overhead versus underground transmission projects similar to the criteria used by other New York utilities. That analysis led to the conclusion that substantial portions of the line had to be underground for technical reasons. The Plainview to Ruland construction is currently ongoing.
- PSEG Long Island has now proposed the construction of a new underground 69kV transmission cable from the Bridgehampton substation in the Town of Southampton to the Buell substation located in the Town of East Hampton (approximately 5.2 miles). The new underground cable is designed to be installed below grade. In compliance with the Policy, as part of the ongoing environmental review, PSEG Long Island will prepare the required analysis that evaluates the system-wide benefits and costs to the public of construction of overhead versus underground transmission projects.

“Maintain a special tariff for undergrounding to provide a financing mechanism that allows local communities to pay for the additional cost of undergrounding all or a portion of a transmission or distribution project where insufficient systemwide benefits exist to justify allocation of the incremental expense throughout the Service Area.”

- As previously reported to the Board, in December 2017, the Board adopted changes to LIPA’s Tariff for Electrical Service (the “Tariff”) to create a financing program that allows a local community to request an overhead line be undergrounded.
- The Tariff provisions allow the requesting municipality the option of paying either the full incremental cost of undergrounding in advance of construction or paying the cost in the form of an incremental consumption charge for a period of 20 years.
- LIPA and PSEG Long Island prepared a brochure on the undergrounding program, which was electronically distributed to local elected officials and is available on both the LIPA and PSEG Long Island websites. A formalized process was also developed by PSEG Long Island with LIPA oversight to ensure the effective implementation of the Tariff provisions.
- A project was completed during 2021 in the Village of Westhampton utilizing the Tariff.

“LIPA and its Service Provider will conduct outreach to affected public officials, civic leaders, and communities in advance of the construction of transmission and distribution projects in a manner appropriate to each project, including visual representations of the proposed project as built, if appropriate, consistent with industry best practices, as mutually agreed upon by LIPA and its Service Provider, and in consultation with the Department of Public Service”:

- PSEG Long Island outreach is integrated into capital project planning, design and construction, and both LIPA and Department of Public Service review project scoring and outreach plans.
- PSEG Long Island scores each project scoring using outreach tiers based on various factors, including project need, community impact, governmental impact, media landscape, permitting and regulatory requirements, aesthetic impacts, and environmental, historical, cultural, and construction considerations. An outreach plan is developed for each specific project. The outreach tiers are used as a guideline, and outreach tools are then tailored to each project’s specific circumstances.
- Tier 1 project activities may include: (i) developing collateral materials; (ii) conducting media and regulatory audits to determine the outreach landscape and identification of stakeholders; (iii) briefing impacted officials; and (iv) notifying impacted customers.
- Tier 2 project activities may include: (i) all Tier 1 activities; (ii) mailings or door hangers to impacted customers; (iii) follow-up with impacted officials; and (iv) sharing project information on the PSEG Long Island’s website and social media accounts.
- Tier 3 project activities may include: (i) all Tier 1 and 2 activities; (ii) engaging in early design discussions; (iii) conducting early outreach and partnering with elected

officials; (iv) hosting open houses; (v) collaborating with third-party experts; (vi) implementing a print and/or broadcast media communications plan; and (vii) email updates to impacted customers.

- Since the last annual report to the Board, there were seven T&D specific projects designated as Tier 2 projects, none at Tier 3 level. These Tier 2 projects included 2 new circuit projects in the Arverne and St. James/Stony Brook areas. Also, at the Tier 2 level were two conversion and reconducting (C&R) projects in Fire Island and Woodsburgh/Hewlett Neck. Finally, there were 3 other projects at the Tier 2 level for various work in the Rockaway Beach, Glenwood Landing and East Garden City areas.

Enterprise Risk Management Discussion

The Board has adopted a Policy on Enterprise Risk Management (“ERM”). Enterprise risks are brought to the Board’s attention throughout the year. There is one risk related to the Policy. That risk is: “Transmission and Distribution and generation capital projects could lead to controversy with stakeholders, negative public perception, and SEQRA and other litigation.” This risk is rated as a medium level risk. LIPA mitigates this risk with concurrent oversight of PSEG Long Island’s project identification, planning, and development process for significant projects and through its legal and external affairs teams working closely with PSEG Long Island’s External Affairs to monitor compliance with the Policy of the communication with towns and the public for significant projects. Based on the mitigation actions in place, LIPA Staff believes this risk is adequately managed.

Annual Review of the Policy

LIPA Staff has completed its review of the Policy and has no suggested amendments at this time.

Recommendation

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

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1669. RESOLUTION APPROVING THE ANNUAL REPORT ON THE BOARD POLICY ON THE CONSTRUCTION OF TRANSMISSION AND DISTRIBUTION PROJECTS

WHEREAS, the Board Policy on the Construction of Transmission and Distribution Projects (the “Policy”) was originally approved by the Board of Trustees Resolution No. 1383, dated September 27, 2017; and

WHEREAS, the Policy was last reviewed by the Board pursuant on September 23, 2020; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with Policy for the period since the last annual review and approves the annual report to the Board.

Acting Chair Cohen stated that the next item on the agenda was the Discussion of IRP Public Comments and Consideration of Acknowledgement that the IRP Scope of Work is Consistent with the Board's Objectives to be presented by Rick Shansky.

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

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution stating that the scope of work (“SoW”) for the 2022 Integrated Resource Plan (“IRP”), as revised following public comments, reflects the Board’s objectives, as established in the Board Policy on Resource Planning and Clean Energy (the “Policy”) and authorizing LIPA’s Chief Executive Officer (“CEO”) to make any necessary changes to the SoW to meet the Board’s objectives, subject to informing the Board of any material changes. This memorandum also summarizes the public comments received on the IRP SoW.

Background

Utilities use IRPs to identify long-term resource needs and to assess available options for meeting those needs. Notably, IRPs were introduced in the 1970s to integrate the evaluation of the major categories of options in resource planning: demand-side management, generation, and transmission. LIPA’s last IRP was issued in 2017.

In July 2019, New York State enacted one of the most aggressive clean energy and greenhouse gas reduction laws in the country, the Climate Leadership and Community Protection Act (“CLCPA”), which includes, among other goals, a requirement that 70% of electricity consumed in the state by 2030 be produced from renewable energy; the development of 6,000 MW of distributed solar by 2025, 3,000 MW of energy storage by 2030, and 9,000 MW of offshore wind by 2035; and 100% zero-carbon electricity generation by

2040. CLCPA requirements will have a significant impact on the supply and demand of electricity in Long Island and in the rest of New York State.

In June 2021, PSEG Long Island, supported by the Brattle Group, an industry-leading consulting firm, commenced the development of an IRP for LIPA’s service territory. LIPA Staff presented the objectives, key challenges, and timeline for the IRP to the Board at its June 23, 2021 meeting.

The 2022 IRP process will be a 15-month effort with completion around August 2022. LIPA and PSEG Long Island staff also plan to collaborate with Stony Brook University and Brookhaven Science Associates, LLC on IRP development, with a focus on identifying emerging, viable, advanced clean energy technologies.

Scope of the 2022 IRP

LIPA’s 2022 IRP will seek to examine the impact of CLCPA requirements and other potential electricity market changes during the study period of 2022 through 2040. As described further in the SoW (see, Exhibit “C”), the IRP will look at three to four scenarios with a limited number of sensitives around those scenarios. The IRP will result in an action plan for the period of 2022 to 2030 that will recommend key actions and investments needed to meet state goals while continuing to meet the electricity needs of LIPA customers reliably and cost-effectively.

In particular, the 2022 IRP will consider the following challenges:

- **Most of LIPA’s contracts with existing fossil-fired plants are set to expire in the next five to ten years and will need to be replaced with clean energy resources by 2040.**
- **Integration of offshore wind, solar, and energy storage resources will necessitate upgrades to the on-Island transmission grid.**
- **New York State CLCPA goals and New York Independent System Operator market reforms are changing the rules of the electric business.**
- **Transitioning Long Island to a zero-emissions reliable power grid by 2040.**
- **Meeting growth in electric demand from electric vehicles and building electrification.**

Summary of Public Comments on the Draft 2022 IRP SoW

In an effort to initiate public engagement in IRP development, LIPA held a 30-day public comment period on the SoW starting on June 23, 2021. LIPA and PSEG Long Island posted the Draft 2022 IRP SoW on their websites and accepted comments via a web form and email. A list of all the public comments received during the public comments period, along with LIPA’s responses, are attached to this memo (see Exhibit “B”).

LIPA received 18 submissions from the public. Six out of the 18 comments were submitted by individuals affiliated with organizations in various fields, including environmental, trade, and labor advocacy, as well as in academia and consulting. The balance of the submittals did not indicate any institutional, professional, or political affiliation.

Many of the comments received were general in nature and raised topics and issues related to transitioning to a clean energy grid. The issues and topics raised in the public comments included:

- **Concerns about the cost impact on customers' electric bills. In this regard, some commenters urged that the IRP should consider direct LIPA ownership of generating resources.**
- **The need for LIPA to have a broad and robust public engagement process as it develops its plans to transition to a clean energy grid.**
- **Consideration of the impact on disadvantaged communities.**
- **The critical role of energy storage in transitioning to a 100% clean energy grid.**
- **Consideration of a broad range of potential technologies, including distributed renewables and increasing planned solar targets; and the need for more investment in energy efficiency.**
- **Support for renewable energy considering the climate crisis, with consideration of climate adaption and resiliency; and reliability.**

Seven out of the 18 public comments were in the form of an inquiry, requesting information on various topics, including the amount of energy storage required to transition to a clean energy system on Long Island; an estimate of customer electric bills in 2030; the difference in electric output between a solar and a wind power plant of the same MW size; the nation's potential long-term power needs from the increasing usage of electric cars; and the impact on construction jobs.

One commenter expressed disapproval of LIPA's plan to transition to a 100% clean energy system and stated that both sources of energy, clean and fossil fuels, should be used.

LIPA Staff's Response to Public Comments on the Draft 2022 IRP SoW

The below summarizes LIPA Staff's response on the main topics and issues raised in the public comments on the Draft 2022 IRP SoW. Exhibit "C" shows a redline version of the SoW that was posted for public comments, with revisions that have been added to address comments received.

Cost Impact

The focus of the IRP is to develop a cost-effective plan to meet New York State's clean energy objectives in the most economical fashion possible while maintaining high reliability, environmental, and safety standards. The IRP will consider various options, such as contracting for flexible resources and battery storage, participating in projects solicited by NYSERDA (e.g., for offshore wind), and increasing energy efficiency programs. The IRP seeks to optimize the different options.

Maintaining the affordability of electricity for customers is a key objective of the IRP. The IRP will compare different resource options based on their projected cost and select the preferred portfolio of resources (including amounts, types, and locations) that meet reliability and environmental criteria at the lowest projected overall cost. It should be noted that the actual cost to consumers of specific resources and associated rate impacts will be determined at the time that LIPA conducts procurements or takes other actions to fulfill the needs identified in the IRP.

Public Engagement

The recently-concluded public comment period on the IRP SoW is not the only opportunity for stakeholder involvement. LIPA looks forward to broad public engagement, including Public Comment Hearings later in the process, which will provide additional opportunities for the public to provide input. Moreover, the selection and siting of individual energy projects that may be driven by the IRP would be subject to additional public engagement, providing further opportunities for the public to provide input prior to the development of a project. Lastly, LIPA is in discussions with Stony Brook University and Brookhaven Science Associates, LLC to obtain critical input about the technologies that could be available for future development.

Impact on Disadvantaged Communities

The Climate Leadership and Community Protection Act (CLCPA) requires that a minimum of 35% of the benefits from investments in transitioning to clean energy and energy efficiency programs be realized by disadvantaged communities. The Climate Justice Working Group (CJWG), which was created by the CLCPA, has been tasked with identifying disadvantaged communities in New York and developing the criteria to assess the impacts of transitioning to a clean energy system. The CJWG is conducting an extensive public engagement process to develop its guidance on disadvantaged communities. LIPA intends to incorporate the CJWG's guidance into its IRP process as it becomes available.

The Critical Role of Energy Storage in Transitioning to a 100% Clean Energy Grid

Energy storage can perform multiple roles in assisting LIPA to meet the state's renewable energy goals, both in the short-term and long-term. LIPA intends to meet state mandates for the deployment of energy storage resources but will not artificially limit the amount of energy storage that might be cost effectively and reliably deployed. IRP recommendations regarding potential resource portfolios will carefully consider and balance the multiple considerations (e.g., cost, resiliency, peak load reduction, and transmission and distribution

investment deferral) that attend introducing or expanding any resource technology in LIPA's portfolio. Public comments regarding renaming some of the proposed IRP scenarios to better represent the role of energy storage in a 100% clean energy system have been reflected in the SoW.

Consideration of the Role of Other Energy Technologies

The IRP will consider all viable, clean energy technologies. The Brattle Group, an independent consulting firm, has been hired to examine and provide guidance on which clean technologies will most likely contribute to Long Island's future energy mix. In addition, LIPA and PSEG LI are discussing with Stony Brook University and Brookhaven Science Associates, LLC their potential participation in the development of LIPA's 2022 IRP with a focus on identifying emerging, viable, advanced clean energy technologies. LIPA also will consider all viable demand-side resources, including the impact of additional investments in energy efficiency programs.

Review of LIPA's Solar Goals Given Findings of the Solar Roadmap Developed by the Nature Conservancy

While the CLCPA sets mandatory minimums for implementation of clean energy resources such as solar, LIPA will evaluate opportunities to exceed such minimums, both as part of the IRP study and in any storage and other procurements that may result from the IRP, if doing so would benefit our customers and contribute to meeting our planning objectives.

Reliability and Climate Adaption and Resilience

As mentioned in the SoW, maintaining system reliability is a key objective of the IRP. The concept of grid "resiliency" in response to climate adaption is part of this IRP objective and will be considered when developing LIPA's 2022 IRP. Separately, LIPA is also evaluating ongoing transmission and distribution system resilience and storm hardening investments.

Conclusion

LIPA Staff reviewed the public comments and reflected them in the SoW, as reasonably as possible. Certain focal areas of the comments, e.g., cost and consideration of advanced technologies, were consistent and aligned with IRP objectives. LIPA Staff intends to ensure that these considerations remain paramount during IRP development.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.

1670. RESOLUTION ACKNOWLEDGING THAT THE SCOPE OF WORK FOR THE 2022 IRP IS CONSISTENT WITH THE BOARD'S OBJECTIVES

WHEREAS, LIPA launched the 2022 Integrated Resource Plan (“IRP”) with a presentation by LIPA Staff to the Board at its June 23, 2021 meeting, describing the objectives, key challenges and timeline for the IRP; and

WHEREAS, LIPA Staff has developed a well-conceived scope of work (“SoW”) for the 2022 IRP that takes into account multiple key objectives including, among others, LIPA’s responsibility to comply with the Climate Leadership and Community Protection Act (“CLCPA”) while maintaining the affordability of electricity for its customers; and

WHEREAS, public stakeholders have had an opportunity to submit written comments on the SoW, which have been reviewed by staff and will be taken into account during IRP development.

NOW, THEREFORE, BE IT RESOLVED, that the SoW for the 2022 IRP reflects the Board’s objectives established in the Board Policy on Resource Planning and Clean Energy, and the Chief Executive Officer is authorized to take such action as to amend the SoW to meet the Board’s objectives, subject to informing the Board of any material changes.

Acting Chair Cohen stated that the next item on the agenda was the Discussion of Board Policy Working Groups to be presented by Eric Douglas.

Mr. Douglas presented the Discussion of Board Policy Working Groups took questions from the Trustees.

Acting Chair Cohen then stated that the final agenda item, Secretary’s Report on Board Policies and Communications, would be in written submission only, and available at the Long Island Power Authority website for viewing.

Acting Chair Cohen then announced that the next Board meeting is scheduled for Friday, October 29, 2021 in Uniondale.

Acting Chair Cohen then asked for a motion to adjourn to Executive Session to discuss litigation matters and announced that no votes would be taken and that the Board would not be returning to Open Session. The motion was duly made and seconded, and the following resolution was adopted:

1671. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing litigation matters.

At approximately 1:26 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.