



Trustee Governance Update

October 29, 2021

INTRODUCTION

Purpose:

The Board is refreshing its policies to make them easier to understand and to clearly communicate its desired goals to management. The Board created small working groups to focus on the following:

- Mission and Vision
- Customer Service
- Transmission and Distribution
- Information Technology and Cyber Security

Process:

- Revised policies will be discussed today
- Board will vote on the above in November
- Working groups will be formed to start working reviewing Board Policies on Resource Planning and Clean Energy, Purpose and Role of LIPA Trustees, and Values of Responsiveness and Integrity

DRAFT PURPOSE / VISION POLICY

LIPA's purpose is to serve our customers and community by providing **clean, reliable, and affordable** energy to Long Island and the Rockaways. As a not-for-profit utility, LIPA is a **value-driven** organization that puts our **customers first** in all our actions.

LIPA's vision is to be our customers' **trusted energy partner**. To achieve our vision, LIPA will:

- Actively **engage** with our customers and the communities we serve;
- **Respond** to our customers' needs and will exceed their expectations;
- Be a recognized **innovator** in our industry to better serve our customers; and
- Be known as a **steward** of our environment and community.

DRAFT CUSTOMER EXPERIENCE POLICY

LIPA's vision for our customer experience is to be a **recognized innovator** in our industry in serving customers by investing in technologies that **enhance and simplify the customer experience** and by rigorously measuring and improving the **quality** of our customer interactions.

To achieve our vision, LIPA will:

- Deliver **top quartile performance** in J.D. Power's utility residential and business customer satisfaction studies and on industry-standard customer service metrics;
- Demonstrate **continual improvement** in customer satisfaction, ease of interaction, and value as measured by internal, end-to-end customer post-transaction assessments;
- **Invest in technologies** to enhance the service, flexibility, convenience, and cost effectiveness of billing, payment, appointments, emergency restoration, and other customer interactions;

DRAFT CUSTOMER EXPERIENCE POLICY (CONTINUED)

- Ensure **simple, accurate, and proactive customer communications** related to customer billing, energy usage, emergency response, and estimated times of restoration;
- **Effectively target communications** across customer segments and socioeconomic groups, with particular attention to low income and disadvantaged communities;
- Evaluate the success of our rate options, clean energy programs, and other offerings by customer adoption and satisfaction and use the information to regularly **review and improve our offerings**.

DRAFT T&D OPERATIONS POLICY

LIPA's vision for our transmission and distribution system is to achieve **industry-leading reliability**, improve **resiliency** by minimizing outages and reducing restoration times after severe weather and adverse events, and leverage **modern system design and technology** to provide value to all customers.

To achieve our vision for reliability, LIPA will:

- provide **top decile reliability** (i.e., top 10% of peer utilities) as measured by system average outage duration, excluding major events;
- **improve circuit conditions** that cause a customer to experience four or more sustained outages or six or more momentary outages in any 12-month period;
- utilize **modern system design and technology** to anticipate and minimize outages, monitor system conditions, provide for preventative and predictive system maintenance, and facilitate the efficient and timely interconnection of renewable and distributed resources;

DRAFT T&D OPERATIONS POLICY (CONTINUED)

- **safeguard people and protect facilities and functions** that support operations from unauthorized access or disruption through vulnerability assessments and risk mitigation.

To achieve our vision for resiliency, LIPA will:

- **mitigate the effects of climate change** through multi-year programs that reduce the number and duration of outages after significant system disruptions;
- assure **timely and accurate communication** to customers about outages and restoration times;
- independently verify that **emergency restoration plans** are complete and tested.

DRAFT INFORMATION TECHNOLOGY POLICY

LIPA's vision for information technology and cyber security is to use technology to **enhance and simplify the customer experience, improve reliability, and minimize operating costs**, while ensuring **robust, secure technology platforms** that provide operational stability and protect customer, employee, and third-party data from unauthorized access or disruption. LIPA supports **data privacy** by transparently communicating how customer information is collected, used, and disclosed.

To achieve our vision for information technology, LIPA will:

- Invest in information technology that supports the **efficiency of business operations, promotes innovation, and provides long-term customer value**;
- **Deploy modern grid management technology and data analytics** that enhance grid operations, customer service, utility asset management, and demand management, as measured by a [Smart Grid Maturity Model](#) level consistent with industry best practices (i.e., top 25% of utilities);

DRAFT INFORMATION TECHNOLOGY POLICY (CONTINUED)

- Ensure the **capacity of the information technology organization** to deliver reliable, robust, and resilient systems, as measured by a [Capability Maturity Model Integration](#) level of 3 or higher;
- Regularly upgrade information and operational technology systems to **maintain all systems within their active service life** and under general support from the product vendor.

To achieve our vision for cyber security and data privacy, LIPA will:

- Conduct quarterly internal vulnerability assessments and annual third-party **vulnerability assessments and penetration testing** of all information and operational technology systems and promptly mitigate vulnerabilities;

DRAFT INFORMATION TECHNOLOGY POLICY (CONTINUED)

- Maintain a level of 3 or higher on the [NIST Cybersecurity Framework](#), as evaluated annually through an independent assessment;
- **Communicate how customer information is collected, used, and disclosed** and ensure that, if confidential customer information is shared with a third-party for a business purpose, the third-party has robust information security practices.

PROPOSED POLICY REORGANIZATION

The Board has expressed interest in modifying the way its governing policies are organized.

Current categories:

1. Mission policies
2. Operating policies
3. Governance policies
4. Compliance policies

Modified categories:

1. Strategic Direction policies
2. Governance Process policies
3. Board/Staff Linkage policies