2022 Performance Metrics

LIPA
Long Island Power Authority

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2022 Performance Metrics

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Electric T&D Executive Summary/Allocation

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Metric #	Scope Function	Metric Name	Dollar Allocation
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	Electric T&D Scope Function Total	**$8,000,000**

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T&D-1 Asset Management Program Implementation – Asset Inventory

Allocated Incentive Compensation:	$150,000
Board Policy:	Asset Management
Related PIPs:	AM-1 (for Board AM recommendation #7); AM-2

Objective:	To implement an effective Enterprise Asset Management (EAM) Program consistent with both the ISO 55000 principles and the Asset Management Recommendations adopted by the LIPA Board of Trustees (AM-1 and AM-2).
Definition:	1. Develop a Data Governance Plan for appropriately managing the asset data to be captured during the field verification of LIPA outside plant assets (in Definitions #2, #3, and #4 below) including LIPA comments to be completed by March 31, 2022. Basic elements shall include: Data Stewardship, Data Standards, Data Management and maintenance, and Data Quality Management. 2. Issue and award RFP for field verification of the Outside Plant (OSP) T&D assets (PIP AM-2 Initiative #1) by May 1, 2022. Capture the desired asset attributes for each asset class as established in Recommendation No. AM-2. QA/QC the new asset data, and timely update validated asset information in EGIS. PSEG LI to provide LIPA with quarterly updates on the data collection effort. LIPA to verify via an audit the completion of at least 20% of the OSP T&D assets are updated in EGIS by December 31, 2022, with at least 98% accuracy. 3. Field verify and inspect the condition of 97% of the ~15,521 OSP wood transmission poles in the 2022 Program. QA/QC the pole condition data, and timely update validated asset information in EGIS. PSEG LI to provide LIPA with quarterly updates on the data collection effort. LIPA to verify via an audit that the field inspections for a minimum of 97% of ~15,521 wood transmission poles are completed and entered into EGIS by December 31, 2022 with at least 98% accuracy. 4. Develop and issue an RFP subject to LIPA approval for field verification and condition assessment of LIPA's steel transmission structures by June 1, 2022 including LIPA's comments.
Calculation:	1. Develop a Data Governance Plan for appropriately managing the asset data to be captured during the field verification of LIPA outside plant assets (in Definitions #2, #3, and #4 below) including LIPA comments to be completed by March 31, 2022. 2. Issue and award RFP for field verification of the OSP T&D assets (PIP AM-2 Initiative #1) by May 1, 2022. Capture the desired asset attributes for each asset class as established in Recommendation No. AM-2. QA/QC the new asset data, and timely update validated asset information in EGIS. PSEG LI to provide LIPA with quarterly updates on the data collection effort. LIPA to verify via an audit the completion of at least 20% of the OSP T&D assets are updated in EGIS by December 31, 2022, with at least 98% accuracy. 3. Field verify and inspect the condition of 97% of the ~15,521 OSP wood transmission poles in the 2022 Program. QA/QC the pole condition data, and timely update validated asset information in EGIS. PSEG LI to provide LIPA with quarterly updates on the data collection effort. LIPA to verify via an audit that the field inspections for a minimum of 97% of ~15,521 wood transmission poles are completed and entered into EGIS by December 31, 2022 with at least 98% accuracy.

	4. Develop and issue an RFP subject to LIPA approval for field verification and condition assessment of LIPA's steel transmission structures by June 1, 2022 including LIPA's comments.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	100% of the deliverables listed above in the Definition section completed by the specified milestone dates.

T&D-2 Asset Management Program Implementation – Asset Management Governance

Allocated Incentive Compensation:	$200,000
Board Policy:	Asset Management
Related PIPs:	AM-1 (for Board AM recommendations 1-5)

Objective:	To implement an effective Enterprise Asset Management (EAM) Program consistent with both the ISO 55000 principles and the Asset Management Recommendations adopted by the LIPA Board of Trustees (AM-1).
Definition:	1. Asset Management Framework and Roadmap – Modify the Asset Management Implementation Plan (Revision 1 - August 31, 2021) based on the LIPA's comments and resubmit to LIPA for review and approval (approval not to be unreasonably withheld) within 60 days of receipt of LIPA's comments. 2. Develop the Strategic Asset Management Plan (SAMP) – Develop and finalize the SAMP per the agreed to format, including LIPA comments to be presented for LIPA's approval (approval not to be unreasonably withheld) by October 1, 2022 (with RFP to be issued by January 31, 2022). 3. Develop 10 Overhead specific Asset Management Plans (AMPs) – Develop and finalize the specific AMPs for Overhead assets per the agreed to format including LIPA's comments to be presented to LIPA (approval not to be unreasonably withheld) by December 31, 2022. 4. Submission of the 2021 Annual Reliability Assessment of Asset Performance by August 31, 2022 reporting the results of an annual reliability assessment of asset performance and including a plan to address identified deficiencies. The format of the report shall be similar to the 2020 Reliability Assessment of Plant Asset Performance report, which was submitted to LIPA on June 30, 2021.
Calculation:	1. Modify the Asset Management Implementation Plan and resubmit to LIPA for review and approval (approval not to be unreasonably withheld) within 60 days of receipt of LIPA's comments. 2. Develop and finalize the SAMP per the agreed to format, including LIPA comments to be presented to for LIPA's approval (approval not to be unreasonably withheld) by March 31 October 1, 2022. 3. The RFP for the Strategic Asset Management Plan (SAMP) to be issued by January 31, 2022. 4. Develop 10 Overhead specific Asset Management Plans (AMPs) – Develop and finalize the specific AMPs for Overhead assets per the agreed to format including LIPA's comments to be presented to LIPA (approval not to be unreasonably withheld) by December 31, 2022 5. Submission of the 2021 Annual Reliability Assessment of Asset Performance by August 31, 2022 reporting the results of an annual reliability assessment of asset performance and including a plan to address identified deficiencies. 6. PSEG Long Island to provide LIPA with quarterly reports on work associated with ISO-55000 Implementation Plan
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	100% of the deliverables listed above in the Definition section completed by the specified milestone dates.

T&D-3 Enterprise Asset Management System (EAM) Implementation Plan

Allocated Incentive Compensation:	$600,000
Board Policy:	Asset Management
Related PIPs:	EAMS Implementation PIP in development (for Board AM Recommendation 6)

Objective:	Plan and implement a full-fledged Enterprise Asset Management System (EAMS) that can plan, schedule, and track all asset, work, maintenance (PM, PdM, CM) and inventory activities, including work order originator, specific assets, failure, cause, parts, materials, supplies, crew time, fleet and equipment used, and contractor and other costs on all LIPA assets (Inside Plant and Outside Plant).

Definition:	1. EAMS Implementation Plan - Submit a comprehensive EAMS Implementation Plan for the successful design, procurement, and implementation of a full-fledged EAMS solution for LIPA Approval (approval not to be unreasonably withheld) by February 28, 2022.
	   • The end-to-end EAMS shall track individual assets and all maintenance (in-house and contractor) activities across the full lifecycle and include integrated asset, work, and maintenance management functionality; field mobility; capital project management; CUES capability for capital project planning, job estimating, FERC reporting, and inventory management; asset risk (condition and criticality) management; purchase requisitions; and drill-down history and performance reporting on individual assets.
	   • The EAMS plan shall include the vision, scope, benefits, high-level functional requirements, To-Be information system schematic, system interfaces, new hardware, planning-level cost and resource estimates, and timelines for EAMS implementation. This effort is in addition to and parallel with the effort in Board Resolution #4 – CMMS Upgrade.
	2. EAMS / Implementer RFP – Development of Detailed functional and technical requirements, Development, and submission of an RFP for the procurement of an Enterprise Asset Management System/implementer to be completed and approved by LIPA (approval not to be unreasonably withheld) by May 30, 2022. EAMS Selection and Procurement – Select and procure the best-fit EAMS solution/implementer through rigorous evaluation to minimize delivery risk to be completed and approved by LIPA (approval not to be unreasonably withheld) by October 30, 2022.
	3. EAMS Detailed Implementation Project Plan – Submission of the EAMS Detailed Implementation Plan to be completed and approved by LIPA (approval not to be unreasonably withheld) by December 31, 2022. The Plan shall verify the functional and technical requirements and deliver a detailed Implementation Plan including:
	   • Detailed schedule, milestones, activities, deliverables, vendor PMO approach/structure project roles, resource needs,
	   • To- be business process design approach. At a minimum, the business listed below should be addressed:
	     a. Asset Lifecycle
	     b. Planned Work Order
	     c. Emergency Work Order
	     d. Operational Inventory
	     e. Procurement/Requisitions
	   • Initial project financial forecast for software/SAS, System integrators and ongoing maintenance cost for operations (negotiated firm price). Cost for internal labor project support, internal labor of continuing support and internal program management support (with some variability).

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Calculation:	1. LIPA Approval (approval not to be unreasonably withheld) of the EAMS Project Implementation Plan by February 28, 2022. 2. LIPA Approval (approval not to be unreasonably withheld) of the EAMS/Implementer RFP by May 30, 2022 3. LIPA verification of the executed EAMS solution/implementer contract by October 30, 2022 4. LIPA Approval (approval not to be unreasonably withheld) of the EAMS Detailed Implementation Project Plan by December 31, 2022.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	All deliverables listed above in the Definition section are completed by the specified milestone dates.

T&D-4 Transmission & Distribution System Relay Operations - Relay Mis-Operations

Allocated Incentive Compensation:	$100,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Limit the number of relay mis-operations on the Transmission and Distribution System.
Definition:	Relay mis-operations occur when: • Any failure of a Protection System element to operate within the specified time when a fault or abnormal condition occurs within a zone of protection. • Any operation for a fault not within a zone of protection (other than operation as backup protection for a fault in an adjacent zone that is not cleared within a specified time for the protection for that zone). • Any unintentional Protection System operation when no fault or other abnormal condition has occurred unrelated to on-site maintenance and testing activity. • Protection System operations due to non-field resource design and settings error.
Calculation:	Percent improvement as recorded by the number of relay operations on the Transmission system in 2022 compared to the previous 3-year average (2019-2021). LIPA to audit year-end performance.
Exclusions:	Distribution feeder relay mis-operations.
Target:	Total Annual Transmission System relay mis-operations (as per Definition section above) at least 5.0% better than the previous 3-year average (2019-2021). Rounding protocols will allow for an improvement of 4.95% and above to be rounded up to successfully meet the target of 5.0%.

T&D-5 Transmission & Distribution Inadvertent Operation Events

Allocated Incentive Compensation:	$100,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Limit the number of relay mis-operations due to operating errors on the Transmission and Distribution System.
Definition:	An Operating Error is defined as any Transmission or Distribution incident resulting from an incorrect action of a PSEG LI employee that results in one of the following: 1. Customer outages (momentary or sustained). 2. Unintended operation of a switching or protection device such as a breaker, fuse, switch, disconnect, tap, or ASU.
Calculation:	Percent improvement as recorded by the number of Operating Errors in 2022 compared to the prior three-year average (2019-2021). LIPA to audit year-end performance.
Exclusions:	Relay mis-operation due to non-field resource design and settings errors counted under Metric T&D-4 – "Transmission & Distribution System Relay Operations – Relay Mis-Operations".
Target:	Total number of annual Operating Errors on Transmission & Distribution System (as per Definition section above) at least 5.0% better than the previous three-year average (2019-2021). Rounding protocols will allow for an improvement of 4.95% and above to be rounded up to successfully meet the target of 5.0%.

T&D-6 PTCC/ATCC Replacement

Allocated Incentive Compensation:	$250,000
Board Policy:	T&D System Reliability
Related PIPs:	RE-01 (10.01) (PTCC and ATCC Strategy)

Objective:	Develop a strategic roadmap for control centers (PTCC & ATCC) and other related operations functions identified below and gain acceptance from LIPA Leadership via completion of the three phases (Strategy, Conceptual Design, Roadmap) as specified in the Definition section below.

Definition:	Phase 1 Strategic Considerations - Deliverable addressing the following by June 1, 2022:
	
	A. Real Estate and Facilities
	    a. Strategic elements will be evaluated in due consideration of requirements including but not limited to:
	        i. Address RE Lamb Gap Analysis Document
	        ii. Green field vs Brown field site
	        iii. Adjacency to major Electrical Facilities
	        iv. Adjacency to major Electric System Communications hub
	        v. Physical security requirements
	        vi. Solid building able to withstand extreme weather events and other natural disasters,
	        vii. Ability to house mission critical personnel on-site or nearby
	
	B. Systems
	    a. Strategic elements will be evaluated in due consideration of requirements including but not limited to:
	        i. Transmission and Distribution Operations system split (EMS, ADMS)
	        ii. Asset diagnostic center (field asset data receipt; review, etc.)
	        iii. OT Data TIER 4 or 5 Centers Requirements (including redundancy levels, failover, electrical supply, cooling, water)
	
	C. Operations
	    a. Strategic elements will be evaluated in due consideration of requirements including but not limited to:
	        i. DER/ NERC considerations- Distribution control room separation
	        ii. Electrical System voltage demarcations (voltage level – changes)
	        iii. Control Room in very close proximity to the supporting systems such as EMS/SCADA and ADMS
	
	D. Co-location
	    a. Strategic elements considering the evaluation, as well as recommendations, related to the potential co-location of any of the areas listed below within the new Transmission Control Center site. The plan should also describe the provisions being made to allow for the expansion of future operations in the event that these operations are not collocated with the PTCC at the time of its commissioning.
	        i. Distribution Operations Center
	        ii. Network Operating Center
	        iii. Cyber Security Center
	        iv. Asset Diagnostic Center
	        v. Primary and backup OT data center (Tier 4 or 5)
	            1. 24/7/365 Infrastructure monitoring

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2. Communications (redundancies with Carrier and Physical diversity)
3. Electrical System-two distinct feeders
4. Electronic Security and Surveillance System

 E.   Industry Standards and Guidelines
  a. Strategic elements will be created in due consideration of all federal, state and local regulatory requirements including but not limited to:
   i. EOP 008-1, R3: Each Reliability Coordinator shall have a backup control center facility (provided through its own dedicated backup facility or at another entity's control center staffed with certified Reliability Coordinator operators when control has been transferred to the backup facility) that provides the functionality required for maintaining compliance
   ii. EOP-008-2: Loss of Control Center Functionality (B. R1. 1.5; B. R4)
   iii. NIST definition – Control Center: An equipment structure or group of structures from which a process is measured, controlled, and/or monitored. NIST SP 800-82 Rev.2 (ANSI/ISA-5.1.1-1979)
   iv. NIST Special Publication 800-34 (3.4.1, 3.4.2, Appendix C. 8.)

Phase 2: Conceptual Facility Design Deliverable addressing the following by September 1, 2022
 A. Conceptual Designs for all required elements based upon LIPA agreement outlined within the Phase 1 Strategic Opportunities Deliverable. Giving consideration to include the following items where appropriate:
  a. Conceptual Room layout and display assumptions
  b. Training and simulation elements
  c. Data center elements (Tier 4 or 5)
  d. Configuration (Primary, tertiary etc.)
  e. Fail over and redundancy (hot stand by etc.)
  f. Communications room elements
  g. NOC, Asset Diagnostics Center, and Cyber Security Center

Phase 3: Roadmap Deliverable addressing the following by December 1, 2022
 A. PSEG LI plan will include a roadmap or systematic procedure to implement the relocation of supporting operational IT systems from the existing control centers to the new Primary Transmission Control Center (E.g. EMS/SCADA system, DSCADA system, Advanced Distribution Management System, communication systems, etc.) including high-level schedule and cost estimates for the following:
  a. Installation
  b. Parallel operations
  c. Cutover strategy and duration (including transfer of switching lock-out/tag-out process from "big" board to EMS video board)
  d. Cost elements (systems, land, building, communications, etc.)
 B. Roadmap Deliverable must be completed with enough detail to update or complete new PJD if required.

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<tr><td>Calculation:</td><td colspan="2">

A. On-time completion and submittal of the deliverables as described in the definition section no later than the specified delivery dates.
B. Completion and submittal of reasonable follow-up revisions and recommendations to the plan no later than 60 days from receiving LIPA's response to initial recommendations.

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Exclusions:	A. Schedule relief may be granted for delays
	    a. Directed or requested by LIPA or
	    b. Situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
	B. Evaluation of additional considerations not included in the definition section.
	C. All deliverables most likely will require support from third party organizations (Consultants). Budgetary and possibly schedule provisions will be required to account for this.

Target:	100% success rate for all deliverables specified within the Definition/Calculation sections completed by: • Phase 1 Strategic Opportunities - June 1, 2022 • Phase 2 Conceptual Facility Design - September 1, 2022 • Phase 3 Roadmap - December 1, 2022 Progress will be updated as part of the monthly T&D Leadership meetings.

T&D-7 System Average Interruption Duration Index (SAIDI) Reliability

Allocated Incentive Compensation:	$400,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Continuous improvement of SAIDI (System Average Interruption Duration Index) reflecting ongoing significant investments to programs and projects that will improve T&D system performance.
Definition:	Total duration of sustained interruption ($\geq$ 5 minutes) for the average customer during each Contract Year, computed in accordance with IEEE Standard 1366, Section 4.2.2. Exclusions for Major Storms will be applied as per NY Department of Public Service and NYCRR 97.1.
Calculation:	SAIDI = Σ(ri * Ni) / NT – (measured in minutes); where: • Σ = Summation function. • ri = Restoration time, minutes. • Ni = Total number of customers interrupted 5 minutes or more. • NT = Total number of customers served (fixed at beginning of the Contract Year).
Exclusions:	Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.
Target:	Achieve a SAIDI of $\leq$ 59.0 minutes. Rounding protocols will allow for a performance of below 59.05 to be rounded down to successfully meet the target of 59.0 minutes.

T&D-8 System Average Interruption Frequency Index (SAIFI) Reliability

Allocated Incentive Compensation:	$200,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Continuous improvement of SAIFI (System Average Interruption Frequency Index) reflecting ongoing significant investments to programs and projects that will improve T&D system performance.
Definition:	Frequency of sustained interruption ($\geq$ 5 minutes) within a Contract Year, computed in accordance with IEEE Standard 1366, Section 4.2.1. Exclusions for Major Storms will be applied as per NY Department of Public Service and NYCRR 97.1.
Calculation:	SAIFI = Σ(Ni) / NT ; where: • Σ = Summation function. • Ni = Total number of customers interrupted 5 minutes or more. • NT = Total number of customers served (fixed at beginning of the Contract Year).
Exclusions:	Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.
Target:	Achieve a SAIFI of $\leq$ 0.76. Rounding protocols will allow for a performance of below 0.765 to be rounded down to successfully meet the target of 0.76.

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T&D-9 Momentary Average Interruption Frequency Index (MAIFI) Reliability

Allocated Incentive Compensation:	$200,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Continuous improvement of MAIFI (Momentary Average Interruption Frequency Index) reflecting ongoing significant investments to programs and projects that will improve T&D system performance.
Definition:	Frequency of momentary interruption (less than 5 minutes) within a Contract Year, computed in accordance with IEEE Standard 1366, Section 4.2.1. Exclusions for Major Storms will be applied as per NY Department of Public Service and NYCRR 97.1.
Calculation:	MAIFI = $\Sigma(N_i) / N_T$; where: • Σ = Summation function. • N_i = Total number of customers interrupted less than 5 minutes. • N_T = Total number of customers served (fixed at beginning of the Contract Year).
Exclusions:	Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.
Target:	Achieve a MAIFI of $\leq$ 1.89. Rounding protocols will allow for a performance of below 1.895 to be rounded down to successfully meet the target of 1.89.

T&D-10 Reduce Sustained Multiple Customer Outages (S-MCOs)

Allocated Incentive Compensation:	$150,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Improve performance for customers with the worst interruption experience, as measured by Sustained Multiple Customer Outages ("S-MCO" or "S-MCOs") by continuing to improve over the 2021 year-end performance.
Definition:	Provide a level of reliability for each customer that is within a reasonable variance from the system average conditions. The metric measures the number of customers that have experienced 4 or more sustained interruptions ($\geq$ 5 minutes or greater in duration) over a rolling 12-month period. Computed in accordance with IEEE Standard 1366, Section 4.2.1. Exclusions for Major Storms will be applied as per NYS Department of Public Service (NYS DPS) and NYCRR 97.1.
Calculation:	Sustained Multiple Customer Outages (S-MCO) = Total count of customers experiencing 4 or more interruptions of $\geq$ 5 minutes in the last 12 months, excluding major events consistent with NYS DPS guidelines.
Exclusions:	Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.
Target:	Achieve an S-MCO performance of $\leq$ 23,475 customers, as of December 31, 2022.

T&D-11 Reduce Repeat Customer Sustained Multiple Customer Outages (S-MCOs)

Allocated Incentive Compensation:	$200,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Improve performance for multi-year repeat customers with the worst interruption experience by eliminating them from the Sustained Multiple Customer Outage (S-MCO) customer list.
Definition:	Provide an improved level of reliability for multi-year repeat customers that have experienced 4 or more sustained interruptions (> 5 minutes or greater in duration) over a multi-year period. The metric measures a defined number of multi-year repeat S-MCO customers (231 customers) who have experienced 4 or more sustained interruptions (> 5 minutes or greater in duration) over a multi-year period. The targeted performance level would be to reduce the current customer set (as of September 30, 2021) by 80% of S-MCO customers. Computed in accordance with IEEE Standard 1366, Section 4.2.1. Exclusions for Major Storms will be applied as per NYS Department of Public Service (NYS DPS) and NYCRR 97.1.
Calculation:	1. <u>% Change</u> - Count of 2022 YE S-MCO Customers from defined population – 231 Customers)/231 Customers
Exclusions:	Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.
Target:	1. <u>% Change</u> - Repeat S-MCO customers of ≤ -80.0% The above measured as of December 31, 2022.

T&D-12 Reduce Momentary Multiple Customer Outages (M-MCOs)

Allocated Incentive Compensation:	$150,000
Board Policy:	T&D System Reliability
Related PIPs:	None

Objective:	Improve performance for customers with the worst interruption experience, as measured by Momentary Multiple Customer Outages ("M-MCO" or "M-MCOs"), by continuing to improve over the 2021 year-end performance.
Definition:	Provide a level of reliability for each customer that is within a reasonable variance from the system average conditions. The metric measures the number of customers that have experienced 6 or more momentary interruptions (< 5 minutes in duration) over a rolling 12-month period. Computed in accordance with IEEE Standard 1366, Section 4.2.1. Exclusions for Major Storms will be applied as per NYS Department of Public Service (NYS DPS) and NYCRR 97.1.
Calculation:	M-MCO = Total count of customers experiencing 6 or more interruptions of < 5 minutes in the last 12 months, excluding major events consistent with NYS DPS guidelines. The M-MCO metric is stated in number of customers (##,### customers).
Exclusions:	Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.
Target:	Achieve an M-MCO performance of ≤ 92,500 customers, as of December 31, 2022.

T&D-13 Safety – Serious Injury Incident Rate (SIIR)

Allocated Incentive Compensation:	$200,000
Board Policy:	Safety
Related PIPs:	None

Objective:	To safely maintain, construct and operate the Electric T&D system without risk of serious injuries and/or fatalities.
Definition:	The prevention of fatalities and serious life altering injuries to a contractor employee or a PSEG LI employee associated with the operation, construction and/or maintenance of the Long Island Electric T&D System that are within the control of the employee in performance of their duties and/or the employer. Life altering injuries include the following: a. Amputation (loss of all or part of a bodily appendage, which includes the loss of bone). b. Concussion. c. Crushing (internal, even though skin surface may be intact). d. Fracture (simple or compound), excluding any hairline fractures e. 2nd (10% body surface) or 3rd degree burns f. Lacerations resulting in severed tendons and/or a deep wound requiring internal sutures. Injuries will be reported timely using the PSEG Long Island Incident Alert process and internal guidelines for reporting and recording safety events but no later than the seven (7) days from notification to the company of an event as required by the OSHA recordkeeping rule.
Calculation:	Serious Injury Incidence Rate (SIIR) for the calendar year of the OSA Contract. The Serious Injury Incidence Rate (SIIR) is calculated using the formula (# cases x 200,000/exposure hours), where exposure hours equals the total of PSEG LI employee and contractor hours worked.
Exclusions:	This metric excludes all non-work related events consistent with the OSHA exceptions for non-recordable cases, i.e. https://www.osha.gov/laws-regs/interlinking/standards/1904.5(b)(2) . Examples include: • Injuries that occur on company property or while the worker is engaged in a work activity but *would have occurred at the same time and at the same level of severity even if the employee was not engaged in a work activity* (epileptic seizure, diabetic seizure, heart attacks, sudden joint failure, etc.) • Injuries that are related to commuting to or from a place of employment outside of work hours • Injuries that result *solely* from normal body movements unrelated to work (sneezing, coughing, bending over to tie a shoe, walking, etc.) • Injuries that result *solely* from personal tasks performed outside of assigned work hours (retrieving ice for personal use, holding community meeting at employer premises, etc.) • Injuries that occur in a travel hotel unrelated to work • Injuries that occur where the employee is present at the site as a member of the general public, unrelated to his or her employment status • Injuries that result from voluntary participation in wellness, medical, or fitness programs, or recreational activity (team building events) • Injuries where symptoms surface at work from a known non-work-related event or exposure (yard work, sporting events, etc.)

		• Injuries that result from eating/drinking or preparing food/drink for personal consumption (food/drink not provided by employer) • Injuries that result from personal grooming, self-medication for a non-work-related condition, or intentionally self-inflicted injuries • Injuries that result from non-preventable vehicle accidents • The illness is a mental illness. Mental illness will not be considered work-related unless the employee voluntarily provides the employer with an opinion from a physician or other licensed health care professional with appropriate training and experience (psychiatrist, psychologist, psychiatric nurse practitioner, etc.) stating that the employee has a mental illness that is work-related.
Target:		A Serious Injury Incidence Rate (SIIR) of ≤ 0.11 Rounding protocols will allow for a performance of below 0.115 to be rounded down to successfully meet the target of 0.11. If a fatality occurs to an employee or contractor working on the system that would constitute an automatic failure of this metric.

T&D-14 Safety – OSHA Recordable Incidence Rate

Allocated Incentive Compensation:	$250,000
Board Policy:	Safety
Related PIPs:	None

Objective:	Continuous improvement in employee safety as recorded by OSHA recordable incidents. Continued improvement in safety performance shall stem from an increased focus on safety and training, including recognizing, tracking and managing key safety leading indicators, resulting in increased employee safety awareness and diligence.
Definition:	Total illness and injury rate. The total OSHA (Occupational Safety and Health Administration) recordable injury and illness cases based on the exposure of 100 full-time workers, using 200,000 hours as the equivalent. This metric includes hearing loss.
Calculation:	Number of OSHA cases x 200,000 hours / Total hours worked (Note: 200,000 = 100 employees x 2,000 hours per employee per year).
Exclusions:	None
Target:	Achieve an OSHA Incidence Rate of ≤ 1.12. Rounding protocols will allow for a performance of below 1.125 to be rounded down to successfully meet the target of 1.12. Note: This metric is applicable to the entire business, not solely the T&D area.

T&D-15 Safety – OSHA Days Away Rate

Allocated Incentive Compensation:	$250,000
Board Policy:	Safety
Related PIPs:	None

Objective:	Continuous improvement in employee safety as recorded by OSHA Days Away. Continued improvement in safety performance shall stem from an increased focus on safety and training, including recognizing, tracking and managing key safety leading indicators, resulting in increased employee safety awareness and diligence.
Definition:	The severity of OSHA (Occupational Safety and Health Administration) incidents that have occurred as measured by the number of lost workdays that can be attributed to an OSHA incident.
Calculation:	Total number of Lost Time Days due to injury x 200,000 / Total hours worked. (Note: 200,000 = 100 employees x 2,000 hours per employee per year)
Exclusions:	None
Target:	Achieve an OSHA Days Away Rate of ≤ 12.50. Rounding protocols will allow for a performance of below 12.505 to be rounded down to successfully meet the target of 12.50. Note: This metric is applicable to the entire business, not solely the T&D area.

T&D-16 Safety – Motor Vehicle Accident (MVA) Rate

Allocated Incentive Compensation:	$100,000
Board Policy:	Safety
Related PIPs:	None

Objective:	Continuous improvement in employee safety as recorded by the Motor Vehicle Accident (MVA) Rate. Continued improvement in safety performance shall stem from an increased focus on safety and training, including recognizing, tracking and managing key safety leading indicators, resulting in increased employee safety awareness and diligence.
Definition:	The rate compares the total number of motor vehicle accidents relative to the total number of miles driven for a given period of time. This number is inclusive of all motor vehicle accidents. The year-end performance records all miles driven and accidents that have occurred over the Contract Year.
Calculation:	(Total Number of MVAs) x 1,000,000 / Miles Driven
Exclusions:	None
Target:	Achieve a MVA Rate of $\leq$ 9.20. Rounding protocols will allow for a performance of below 9.205 to be rounded down to successfully meet the target of 9.20. Note that this metric is applicable to the entire business, not solely the T&D area.

T&D-17 Work Management Enhancements - Enhancements to Short-Term Scheduling

Allocated Incentive Compensation:	$150,000
Board Policy:	Asset Management
Related PIPs:	Work Management PIPs (In Development)

Objective:	Develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.
Definition:	Enhance work management process by developing an integrated work tool that will consolidate all work that is aligned with the annual budget and work plan and will provide the following functionality to improve the ability to create short term plans and schedules by December 31, 2022: PSEG Long Island to implement process for Short-Term scheduling by July 1, 2022. LIPA to verify by review and acceptance of the short-term scheduling process implemented by December 31, 2022. 1. Consolidated view of all work in ONE system 2. Allows for the comparison of active backlog of work to planned work 3. Data filters enable the focus to resource type, geography, work priority 4. Visibility to work planned for the short term and alignment with work plan
Calculation:	1. PSEG Long Island to implement process for Short-Term scheduling by July 1, 2022. 2. PSEG LI to Demonstrate the Development and utilization of integrated work tool by December 31, 2022.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	All deliverables listed above in the Definition section completed by the specified milestone dates.

T&D-18 Work Management Enhancements - Workforce Management Plans

Allocated Incentive Compensation:	$250,000
Board Policy:	Asset Management
Related PIPs:	Work Management PIPs (In Development)

Objective:	Develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.
Definition:	1 Submission of 2022 Workforce Management Plan for LIPA Approval by February 1, 2022 (Approval not to be unreasonably withheld). The Workforce Management Plan shall include monthly and annual resource plans for all Capital and O&M work to be completed. Successfully execute all elements of the 2022 Workforce Management Plan by December 31, 2022. 2 Submission of 2023 Workforce Management Plan for LIPA approval by August 1, 2022 (Approval not to be unreasonably withheld) The Workforce Management Plan shall include monthly and annual resource plans for all Capital and O&M work to be completed. NOTE: Any comments from LIPA related to PSEG LI submitted drafts shall be received back within 5 business days Workforce management Plan deliverables will be: 1. Histogram by labor source (in-house / Contractor) and functional area (Divisions, P&C,) 2. Histogram by settlement (Capital, O&M) 3. Hours by High Level Settlement 4. Hours by Low Level Settlement 5. Monthly work plan at a division level (for each of the four divisions) providing planned units for proactive blankets and programs and planned hours for reactive (emergent) programs ○ Includes monthly actual units completed for variance purposes
Calculation:	Submittal of the Workforce Management Plan by February 1, 2022 to LIPA to be used for the completion of all scheduled O&M and Capital work by December 31, 2022. Submittal of the 2023 Workforce Management Plan by August 1, 2022 to LIPA to be used for the completion of all scheduled O&M and Capital work for 2023.
Exclusions:	Workforce management plans limited to the following major workforce groups: • Overhead • Underground • Substation Maintenance • Relay • Distribution Design • Substation Maintenance Civil Resources
Target:	All deliverables listed above in the Definition section completed by the specified milestone dates.

T&D-19 Work Management Enhancements - Improve Planning and Tracking of Work

Allocated Incentive Compensation:	$100,000
Board Policy:	Asset Management
Related PIPs:	Work Management PIPs (In Development)

Objective:	Develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.
Definition:	Perform an assessment of the existing Work Breakdown Structure (WBS) structure focused on all Capital and O&M work utilized in the divisional area, to confirm: 1. Adequacy of the existing WBS structure 2. Management and maintenance of the WBS structure 3. Proper utilization of the WBS structure (controls) This assessment will identify the aspects of the existing WBS environment that are adequate, and those which require enhancement. Enhancements to the WBS structure, management of the WBS structure and controls will be developed and implemented as required. Any accepted changes to the WBS will be adopted in the subsequent 2023 work plan. LIPA to verify via an audit of the WBS process by December 31, 2022.
Calculation:	Completion of assessment by June 30, 2022 – "As-is" WBS and future state WBS to be captured and documented. Implement any noted enhancements to the WBS by December 31, 2022 for use in the 2023 plan – Update SAP with any new WBS and run SAP report to confirm adoption of new structures. Create formal procedure to identify owner of the WBS structure and define the governance/maintenance process by December 31, 2022.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	All deliverables listed above in the Definition section completed by the specified milestone dates.

T&D-20 Work Management Enhancements - Improve and Standardize Compatible Unit Estimating (CUEs)

Allocated Incentive Compensation:	$100,000
Board Policy:	Asset Management
Related PIPs:	Work Management PIPs (In Development)

Objective:	Develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.
Definition:	Perform an assessment of the existing library of compatible units and refine standards, introduce new Compatible Unit Estimates (CUEs) as applicable. Publish library of new CUEs following completion of the assessment. Establish formal process for reviewing and revising CUEs and control practices to ensure integrity of units and the resulting estimates. LIPA to verify review and acceptance of process/governance documents and review and acceptance of published CUE library by December 31, 2022. 1. Establish process/governance for maintaining CUEs by June 30, 2022. 2. Complete assessment of existing CUEs and refine standards by October 1, 2022. 3. Publish revised CUE library by October 31, 2022.
Calculation:	Completion of the three identified elements in the Definition section by the specified milestone dates.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	All deliverables listed above in the Definition section completed by the specified milestone dates.

2022 Performance Metrics

T&D-21 Work Management Enhancements - Work Management KPIs and Dashboards

Allocated Incentive Compensation:	$100,000
Board Policy:	Asset Management
Related PIPs:	Work Management PIPs (In Development)

Objective:	Develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.
Definition:	Establish and Rollout Key Performance Indicator (KPI) dashboards and reports for LIPA approval (approval not to be unreasonably withheld), to drive performance improvement of the work force. Dashboard/s will include the following KPI metrics: • Capacity and Utilization rates • Overtime rates (with underlying cause codes) • Actual versus Estimate for specific work types • Work plan Variance • Productivity Rollout will include formal meeting cadence to review dashboard and reports to Operations Leadership
Calculation:	Implement KPI dashboard review by July 31, 2022 with documented meeting minutes.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	As stated in the Definition section above.

T&D-22 Work Management Enhancements - Clarify and Rationalize Work Management Roles

Allocated Incentive Compensation:	$50,000
Board Policy:	Asset Management
Related PIPs:	Work Management PIPs (In Development)

Objective:	Develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.
Definition:	Standardize and publish PSEG Long Island work management roles/positions (e.g. planner, scheduler, work coordinator, router) and implement consistently across yards. Develop formal job descriptions for critical work management positions and educate employees on roles and responsibilities for these positions. Create process flow charts that depict work management work flow with swim lane detail for each work management role. LIPA to verify via a review and acceptance of the Work Management process documentation.
Calculation:	100% sign off for each work management role by employee and Manager by March 31, 2022 confirming receipt of process flow charts and work management roles and responsibilities documentation.
Exclusions:	None
Target:	All deliverables listed above in the Definition section completed by the specified milestone dates, as per the Calculation section.

T&D-23 Employee Overtime

Allocated Incentive Compensation:	$300,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Cost effectively manage T&D employee overtime hours.
Definition:	Overtime targets will be established at the Work Group Level for the following work groups and the associated targets will be established: • Overhead/Underground Lines　　　　33.0% • Distribution Ops　　　　　　　　　38.0% • Substation/Relay Maintenance　　　32.0%
Calculation:	Non-storm overtime hours as a percentage of non-storm productive hours.
Exclusions:	Non-Storm Emergencies pursuant to the OSA.
Target:	At or below stated OT levels for the major workforce groups in the identified areas, rounded to the nearest whole percentage point. • Successfully meet 3/3 targets = 100% of incentive compensation • Successfully meet 2/3 targets = 50% of incentive compensation • Achieve less than 2/3 targets = 0% of incentive compensation

T&D-24 Vegetation Management Work Plan – Cycle Tree Trim with Vegetation Intelligence

Allocated Incentive Compensation:	$200,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Develop and execute Vegetation Management Work Plans, including Hazard Tree Removal, to limit vegetation-caused outages using vegetation intelligence.
Definition:	Develop and execute Vegetation Management Work Plans/budgets for 2022 and 2023 that use vegetation intelligence, including but not limited to vegetation species, growth rate, and location. 1. Identify 2022 circuit list for trimming each year (minimum of 225 circuits per year, or approximately ¼ of total circuit miles, including schedules and cost estimates). The 2022 and 2023 Vegetation Work Plans identifying the minimum of 225 circuits (or approximately ¼ of the total circuit miles) and budgets shall be provided to LIPA for approval, which shall not be unreasonably withheld, by January 31, 2022 and August 31, 2022, respectively. Work plans shall include annual and monthly work and resource plans. Work plans should be coordinated with maintenance and construction work plans, where possible. By December 31, 2022, fully execute the 2022 deliverables specified in #1 above as per the 2022 Vegetation Management Work Plan.
Calculation:	Deliver and execute Vegetation Management Work Plan/budgets meeting the requirements identified in Definition. Each element is delivered on time and the actual spend is within the established budget target (-10% or up to +5%).
Exclusions:	Schedule relief may be granted for: 1. Delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control. 2. Vegetation trimmed as part of a storm response will not be included in completion count if charged to the storm account
Target:	All of the following must be completed as per the Definition and Calculation sections: 1. 2022 Vegetation Management Work Plan submitted and approved by January 31, 2022 (LIPA approval not to be unreasonably withheld). 2. 2023 Vegetation Management Work Plan submitted and approved by August 31, 2022 (LIPA approval not to be unreasonably withheld). 3. Execution of $\geq$ 90.0% of the 2022 Vegetation Management Work Plan identified in #1 in the Definition section by December 31, 2022. 4. Actual spending that is within (-10% or up to +5%) of the established budget target, as applied to the actual number of units (circuits) completed in Target item (iii) above.

T&D-25 Vegetation Management Work Plan – Trim to Sky (TTS) Circuits

Allocated Incentive Compensation:	$250,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Develop and execute Vegetation Management Work Plans, including Hazard Tree Removal, to limit vegetation-caused outages using vegetation intelligence.
Definition:	Develop Vegetation Management Work Plans/budgets for 2022 and 2023 that: 1. Identify Trim-to-Sky (TTS) circuits to the first protective device each year (Minimum of 225 circuits per year, or approximately ¼ of the total circuit miles including schedules and cost estimates). The 2022 and 2023 Vegetation Work Plans identifying the minimum of 225 circuits (or approximately ¼ of the total circuit miles) and budgets shall be provided to LIPA for approval, which shall not be unreasonably withheld, by January 31, 2022 and August 31, 2022, respectively. Work plans shall include annual and monthly work and resource plans. Work plans should be coordinated with maintenance and construction work plans, where possible. By December 31, 2022, fully execute all 2022 deliverables specified in #1 above as per the 2022 Vegetation Management Work Plan.
Calculation:	Deliver and execute Vegetation Management Work Plan/budgets meeting the requirements identified in Definition. Each element is delivered on time and the actual spend is within the established budget target (-10% or up to +5%).
Exclusions:	Schedule relief may be granted for: 1. Delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control. 2. Vegetation trimmed as part of a storm response will not be included in completion count if charged to the storm account.
Target:	All of the following must be completed as per the Definition and Calculation sections: 1. 2022 Vegetation Management Work Plan submitted and approved by January 31, 2022 (LIPA approval not to be unreasonably withheld). 2. 2023 Vegetation Management Work Plan submitted and approved by August 31, 2022 (LIPA approval not to be unreasonably withheld). 3. Execution of $\geq$ 90.0% of 2022 Vegetation Management Work Plan identified in #1 in the Definition section by December 31, 2022. 4. Actual spending that is within (-10% or up to +5%) of the established budget target, as applied to the actual number of units (circuits) completed in Target item (iii) above.

T&D-26 Vegetation Management Work Plan – Hazard Tree Removal

Allocated Incentive Compensation:	$400,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Develop and execute Vegetation Management Work Plans, including Hazard Tree Removal, to limit vegetation-caused outages using vegetation intelligence.
Definition:	Develop Vegetation Management Work Plans/budgets for 2022 and 2023 that: 1. Identify at least 12,000 hazard trees to be removed each year (including locations, schedules, and cost estimates). Hazard tree units include storm hardening and base vegetation budgets. The 2022 and 2023 Vegetation Work Plans identifying the costs and resources associated with a workplan of 12,000 hazard trees. Workplan and associated budgets shall be provided to LIPA for approval, which shall not be unreasonably withheld, by January 31, 2022 and August 31, 2022, respectively. Work plans shall include annual and monthly work and resource plans. Work plans should be coordinated with maintenance and construction work plans, where possible. PSEG Long Island will provide identified hazard trees by December 1, 2021 for 2022 Q1 and will provide subsequent quarterly updates for planned hazard trees for the following quarter one month prior to the beginning of that quarter (March 1, June 1 and September 1). PSEG Long Island and LIPA will also hold monthly meetings to discuss workplan, progress to workplan and any emergent hazard trees. By December 31, 2022, fully execute all 2022 deliverables specified in #1 above as per the 2022 Vegetation Management Work Plan.
Calculation:	Deliver and execute Vegetation Management Work Plan/budgets meeting the requirements identified in Definition section. Each element is delivered on time and the actual spend is within the established budget target (-10% or up to +5%).
Exclusions:	Schedule relief may be granted for: 1. Delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control. 2. Hazard trees removed as part of a storm response will not be included in completion count if charged to the storm account.
Target:	All of the following must be completed as per the Definition and Calculation sections: 1. Initial 2022 Vegetation Management Work Plan submitted and approved by January 31, 2022 (LIPA approval not to be unreasonably withheld). PSEG Long Island will provide identified hazard trees by December 1, 2021 for 2022 Q1 and will provide subsequent quarterly updates for planned hazard trees for the following quarter one month prior to the beginning of that quarter (March 1, June 1 and September 1). 2. Initial 2023 Vegetation Management Work Plan submitted and approved by August 31, 2022 (LIPA approval not to be unreasonably withheld). 3. Execution of $\geq$ 90.0% of 2022 Vegetation Management Work Plan identified in #1 in Definition by December 31, 2022. 4. Actual spending that is within (-10% or up to +5%) of the established budget target, as applied to the actual number of units (hazard trees) completed in Target item (iii) above.

T&D-27 Storm Hardening Work Plan - Overhead Hardening

Allocated Incentive Compensation:	$250,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Development and execution of the Storm Hardening Work Plans.
Definition:	Metric success will include development of the 2022 Storm Hardening Work Plan – Overhead Hardening for LIPA approval, which shall not be unreasonably withheld, by January 31, 2022, and execution of all 2022 work identified in the Storm Hardening Work Plan by December 31, 2022. Metric success also requires development for LIPA approval, which shall not be unreasonably withheld, by August 31, 2022 of a 2023 Storm Hardening Work Plan – Overhead Hardening with PJDs per the specifications below: By January 31, 2022, the Service Provider shall submit a 2022 Storm Hardening Work Plan – Overhead Hardening that, at a minimum: 1. Identifies installation locations, schedules, cost estimates, and creates PJDs for hardening 44 mainline circuits. Work executed for identified 2022 circuits to be completed by December 31, 2022. The PJDs should incorporate existing and new methods (e.g. new standards like Hendrix cable). By August 31, 2022, the Service Provider shall submit a 2023 Storm Hardening Work Plan and budget that, at a minimum: 1. Identifies installation locations, schedules, cost estimates, and creates PJDs for main line circuits to be hardened for 2023, incorporating new methods and standards. 2. Identifies installation locations, schedules, cost estimates, and creates PJDs for branch line circuits to be hardened under agreed-upon new scope for 2023.
Calculation:	1. Submission of 2022 and 2023 Storm Hardening Work Plan – Overhead Hardening, including PJDs, for LIPA approval by the dates specified. 2. Storm hardening of 44 mainline circuits. 3. Project is delivered on time and on budget within the established target and based on the latest LIPA approved PJD documentation.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	1. By January 31, 2022, submit a 2022 Storm Hardening Work Plan for a minimum of 44 mainline circuits. 2. By August 31, 2022, submit a 2023 Storm Hardening Work Plan for mainline and/or branches. 3. By December 31, 2022 complete the storm hardening of the latest LIPA approved PJD circuits (-2 circuits or up to +4 circuits). 4. Project budget within -10% or up to 5%.

T&D-28 Storm Hardening Work Plan - Underground Hardening

Allocated Incentive Compensation:	$150,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Development and execution of the Storm Hardening Work Plans.
Definition:	Metric success will include development of the 2022 Storm Hardening Work Plan – Underground Hardening for LIPA approval, which shall not be unreasonably withheld, by March 31, 2022, and execution of all 2022 work identified in the Storm Hardening Work Plan – Underground Hardening by December 31, 2022. Metric success also requires development for LIPA approval, which shall not be unreasonably withheld, by August 31, 2022 of a 2023 Storm Hardening Work Plan – Underground Hardening with PJDs per the specifications below: By March 31, 2022, the Service Provider shall submit a 2022 Underground Pilot Plan including: 1. Provide high-level engineering, design, schedule and cost estimates for an Underground Pilot for rear-lot services. Develop customer engagement plans, and commence obtaining easements. Prepare PJD for 2022 pilot program (4 locations), with construction to start late 2022 pending easement and engineering design completions. By August 31, 2022, the Service Provider shall submit a 2023 Storm Hardening Work Plan and budget that, at a minimum: 1. Develops the next set of targeted installation locations, schedules, cost estimates, and creates PJDs for further backyard rear service undergrounding work.
Calculation:	1. Submission of 2022 and 2023 Storm Hardening Work Plan – Underground Hardening, including PJDs, for LIPA approval by the dates specified in the Definition section. 2. Project is delivered on time and on budget within the established target and based on the latest LIPA approved PJD documentation.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	1. By March 31, 2022, submit a 2022 Underground Pilot Plan for a minimum of 4 locations. 2. By August 31, 2022, submit a 2023 Underground Plan based on the 2022 pilot program. 3. By December 31, 2022 complete the latest LIPA approved PJD documentation (4 locations: +/- 1 location). 4. Project budget within -10% or up to 5%.

T&D-29 Storm Hardening Work Plan - Transmission Load Pockets

Allocated Incentive Compensation:	$150,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Development and execution of the Storm Hardening Work Plans.
Definition:	Metric success requires development for LIPA approval, which shall not be unreasonably withheld, by August 31, 2022 of a 2023 Storm Hardening Work Plan – Transmission Load Pockets with PJDs per the specifications below: By January 31, 2022, the Service Provider shall submit a 2022 Storm Hardening Work Plan – Transmission Load Pockets that, at a minimum: 1. Prioritizes high level proposals, which will include expected service date and cost estimates, to harden transmission supply to 8 load pockets. By August 31, 2022, the Service Provider shall submit a 2023 Storm Hardening Work Plan and budget that, at a minimum: 1. Creates PJDs to harden supply to each of the 8 load pockets and identifies candidate(s) for 2023 project start.
Calculation:	1. Submission of 2022 and 2023 Storm Hardening Work Plan – Transmission Load Pockets, including PJDs, for LIPA approval by the dates specified. 2. Recommend, at minimum, project start in 2023 for one of the load pockets. 3. Project is delivered on time and on budget within the established target and based on the latest LIPA approved PJD documentation.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	1. By January 31, 2022, submit a 2022 Storm Hardening Work Plan for a minimum of 8 load pockets. 2. By August 31, 2022, submit a 2023 Storm Hardening Work Plan that creates PJDs to harden supply for each of the 8 load pockets identified in item #1 of this Target section.

T&D-30 Storm Hardening Work Plan - ACRV Commissioning Program

Allocated Incentive Compensation:	$250,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Development and execution of the Storm Hardening Work Plans.
Definition:	Metric success will include development of the 2022 Storm Hardening Work Plan – Automatic Circuit Recloser Viper (ACRV) Commissioning Program for LIPA approval, which shall not be unreasonably withheld, by January 31, 2022, and execution of all 2022 work identified in the Storm Hardening Work Plan – ACRV Commissioning Program by December 31, 2022. Metric success also requires development for LIPA approval, which shall not be unreasonably withheld, by August 31, 2022 of a 2023 Storm Hardening Work Plan – ACRV Commissioning Program with PJDs per the specifications below. By January 31, 2022, the Service Provider shall submit a 2022 Storm Hardening Work Plan – ACRV Commissioning Program that, at a minimum: 1. Provides schedules and cost estimates for operationalizing ASUVs (e.g. ASUVs functioning as tripping devices) for 10 circuits (number of circuits to be firmed up and mutually agreed to by the Parties after initial lessons learned from 2 circuit / 2 ASUV deployments) for 2022. By August 31, 2022, the Service Provider shall submit a 2023 Storm Hardening Work Plan and budget that, at a minimum: 2. Identifies locations, schedules, cost estimates, and creates PJDs for ACRVs to be commissioned as tripping devices for 2023.
Calculation:	1. Submission of 2022 and 2023 Storm Hardening Work Plan – ACRV Commissioning Program, including PJDs, for LIPA approval by the dates specified. 2. Commissioning of ACRV on a minimum of 10 circuits in 2022. 3. Project is delivered on time and on budget within the established target and based on the latest LIPA approved PJD documentation.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	1. By January 31, 2022, submit a 2022 Storm Hardening Work Plan for operationalizing ASUVs for a minimum of 10 circuits. 2. By August 31, 2022, submit a 2023 Storm Hardening Work Plan and budget that identifies locations, schedules, cost estimates, and creates PJDs for ACRVs to be commissioned as tripping devices for 2023. 3. By December 31, 2022, completion of ACRV Commissioning on the latest LIPA approved PJD (+/- 10%). 4. Project budget within -10% or up to 5%.

T&D-31 Storm Hardening Work Plan - LT5H (ASUV) Program

Allocated Incentive Compensation:	$150,000
Board Policy:	T&D System Reliability
Related PIPs:	5.4.1 and 5.4.5 (In Development) (Grid Resiliency Improvement Program)

Objective:	Development and execution of the Storm Hardening Work Plans.
Definition:	Metric success will include development of the 2022 Storm Hardening Work Plan – LT5H (ASUV) Program for LIPA approval, which shall not be unreasonably withheld, by January 31, 2022, and execution of all 2022 work identified in the Storm Hardening Work Plan – LT5H (ASUV) Program by December 31, 2022. Metric success also requires development for LIPA approval, which shall not be unreasonably withheld, by August 31, 2022 of a 2023 Storm Hardening Work Plan – LT5H (ASUV) Program with PJDs per the specifications below. By January 31, 2022, the Service Provider shall submit a 2022 Storm Hardening Work Plan – LT5H (ASUV) that, at a minimum: 1. Identify installation locations, schedules, and cost estimates, and create PJDs for ~150 ASUVs to be installed and commissioned in 2022. Work execution for identified 2022 list to be completed by December 31, 2022. By August 31, 2022, the Service Provider shall submit a 2023 Storm Hardening Work Plan and budget that, at a minimum: 1. Identifies installation locations, schedules, cost estimates, and creates PJDs for ~150 ASUVs to be installed and commissioned for 2023.
Calculation:	1. Submission of 2022 and 2023 Storm Hardening Work Plan – LT5H (ASUV) Program, including PJDs, for LIPA approval by the dates specified. 2. Installation of 150 ASUVs (-10% or up to +5%) to meet the 2022 Storm Hardening Work Plan- LT5H (ASUV) Program deliverables. 3. Project is delivered on time and on budget within the established target and based on the latest LIPA approved PJD documentation.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	1. By January 31, 2022, submit a 2022 Storm Hardening Work Plan – LT5H (ASUV) that identifies installation locations, schedules, and cost estimates, and creates PJDs for ~150 ASUVs to be installed and commissioned in 2022. 2. By August 31, 2022, submit a 2023 Storm Hardening Work Plan and budget that identifies the installation locations, schedules, cost estimates, and creates PJDs for ~150 ASUVs. 3. By December 31, 2022, complete installation per the latest approved LIPA PJD (-10% or up to +5%). 4. Project budget within -10% or up to 5%.

2022 Performance Metrics

T&D-32 Estimated Time of Restoration (ETR)

Allocated Incentive Compensation:	$200,000
Board Policy:	T&D System Reliability and Customer Service
Related PIPs:	None

Objective:	Provide customer with accurate estimated times of restoration in Blue Sky conditions.
Definition:	**Blue Sky ITR + ETR 1** Estimated Time of Restoration (ETR) Accuracy is the ability to provide accurate restoration estimates to customers during an outage. A passing ITR (initial time of restoration) is any restoration that is 0 to 120 minutes earlier than the ITR. Any ITR with a restoration that is 120 minutes early and 0 minutes late is considered achievement of the metric and will not be counted as a "FAILED" ETR. Any ETR 1 with a restoration that is 120 minutes early and 0 minutes late is considered achievement of the metric and will not be counted as a "FAILED" ETR. Metric measurement to commence March 1, 2022.
Calculation:	**Blue Sky ITR + ETR 1** [Number of outages restored within ITR/ETR1 tolerance] / [Total number of outages with ETRs]. Any updates greater than 1 (i.e., ETR2) is defined as a "FAIL". Any ITR restoration that is late is considered a "FAIL".
Exclusions:	OSA Minor Storms, as well as Major Storms as per NYS Department of Public Service (NYS DPS) and NYCRR 97.1.
Target:	Overall success of ≥ 65.0%, with metric measurement to commence March 1, 2022. Rounding protocols will allow for an overall performance of 64.95% and above to be rounded up to successfully meet the overall target of 65.0%.

2022 Performance Metrics

T&D-33 Real Estate Strategy

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Value and Affordability
Related PIPs:	RE-04 (10.04) (Long-Term Real Estate Strategy)

Objective:	Develop a project implementation plan (PIP) to support a long-term strategy for LIPA's real estate and facility assets in accordance with the adopted LIPA Board recommendations related to real estate management dated May 2021.
Definition:	Per LIPA's request, PSEG Long Island has engaged a professional consultant (Colliers) with space and operations planning experience to develop a future operational program and long-term property master plan report, with facility asset recommendations scheduled to be issued in Q4 2021. Based on Colliers final and mutually approved master plan report recommendation, PSEG LI will develop a site / project specific implementation strategy for 2022 and submit it to LIPA for its approval, such approval not to be unreasonably withheld. By March 31, 2022, PSEG LI shall deliver a project specific PIP based on office space need requirements per line of business and informed by recommendations issued by Colliers under the 2021 master plan subject to LIPA approval, which shall not be unreasonably withheld. The PIP will identify specific and concrete implementation steps for 2022 addressing potential consolidation of identified and approved office space and development of a work plan to support the consolidation and as necessary, reconfiguration of office space (based on post-COVID space requirements). The PIP will also address a long-term strategy for LIPA's real estate and facility assets, including future plans for optimization of Operation Centers. The PIP deliverables shall be informed by the recommendations issued by Colliers under the 2021 master plan. By December 31, 2022, execute all mutually approved, 2022 funded deliverables identified in the proposed PIP.
Calculation:	LIPA approval, which shall not be unreasonably withheld, of Project Implementation Plan (PIP) by April 15, 2022, with implementation of mutually approved and funded deliverables by the date(s) specified in the PIP. Calculation will be based on 100% achievement of 2022 deliverables by the dates specified in the PIP.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	All deliverables listed above in the Calculation section completed by the specified milestone dates and all deliverables in 2022 completed by the dates agreed upon in the LIPA-approved PIP.

T&D-34 Construction – Quality and Timely Completion of Project Justification Descriptions (PJDs)

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	CB-01 (Capital Project and Budget Review and Approval Process)

Objective:	Timely submittal of PJDs for each Capital Project and Program with adequate detail for LIPA review and approval and inclusion into Capital Budget.
Definition:	PJDs (in a template mutually agreed to by LIPA and PSEG Long Island) submitted and approved by LIPA, for all programs and projects requesting funding for 2023 Budget, including cost estimates and for Blankets and Program project's location and number of units (as applicable), due annually on a rolling basis.
Calculation:	PJDs for 2023 Capital Budget: - Preliminary T&D Capital budget submitted to LIPA July 1, with PJDs substantiating the budget request submitted to LIPA by July 21 and finalized by August 15. - Emergent projects PJDs finalized within one month of submittal to LIPA. - Since specific details for many programs/blankets are not finalized until the current year system performance data is analyzed, the respective PJDs shall be finalized by September 1 and at minimum list the number units/assets and specific locations that are scheduled to be worked on in the first quarter of 2023.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control. Major storms occurring during the months of June, July or early August would be an example of a condition that would require schedule relief.
Target:	Successfully submit PJDs on a rolling basis starting July with final PJDs received no later than August 15, 2022.

T&D-35 Construction - Project Milestones Achieved

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	CB-01 (Capital Project and Budget Review and Approval Process)

Objective:	Execution of approved Specific Capital Projects per milestone schedule.
Definition:	Completion of defined key project milestones
Calculation:	Key milestone dates as defined in the current OSA Tier 2 metric:
	Key milestones met for the target year.
	A schedule of Specific Project key milestones is submitted to LIPA in January of each year.
	Monthly updates are provided to LIPA on milestones achieved and milestones missed. Explanation of milestones missed are also provided.
	Occasionally, specific project schedules are adjusted throughout the year to account for permit delays, easement or municipality approvals, storms, etc. These project schedule updates are submitted by the Project Manager for approval by the Manager of Project Management and the Project Sponsor.
	PSEG Long Island has a structured process for milestone changes, "Key Milestone Change Process" that will be followed for any changes of dates to the baseline milestones submitted to LIPA in January 2022 which will need approval from the PSEG Long Island's Mg Dir & VP Construction & Ops Svcs and then will need subsequent approval from LIPA (not to be unreasonably withheld in accordance with the defined process).
	The goal is calculated by number of Key milestones met divided by the number of Key milestones submitted.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	≥ 85.0% milestone achievement of defined key project milestones.
	Rounding protocols will allow for a performance of 84.95% and above to be rounded up to successfully meet the target of 85.0%.

T&D-36 Construction - Cost Estimating Accuracy

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	CB-01 (Capital Project and Budget Review and Approval Process)

Objective:	Execution of approved Specific Capital Projects as budgeted.
Definition:	Execution of 2022 Specific Capital Project within cost estimates.
Calculation:	Cost estimating accuracy per current methodology. • Estimating accuracy reported based on the month when project is closed-out. • % Estimating Accuracy = % absolute variance of each project closed-out cost versus Definitive level estimate (Base cost approved by URB). • An overall portfolio variance is % absolute variance of cumulative project closed-out cost versus cumulative Definitive level estimate • The YTD calculation is overall portfolio variance for all projects closed out YTD
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Cost estimating accuracy per current methodology for 2022 Budget PJDs. Rounding protocols will follow as described throughout the document. Targets as defined below: $\geq$ 85.0% Cost estimating accuracy equals 100% payout

T&D-37 Completion of Program Planned Units Per Workplan

Allocated Incentive Compensation:	$400,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Adherence to proactive program planned units.
Definition:	Proactive Programs, as distinct and separate from Projects, must include units of work to be completed within one year. Units of work must be deemed as complete to count as a completed unit. By December 31, 2022, complete program planned units/miles consistent with Program Workplan PJDs for the following Proactive Programs: 1. Distribution Circuit Improvement Program (CIP) – 1,066 miles 2. Transmission breaker replacement – 15 units 3. Underground distribution cable upgrades – 12.3 miles 4. Distribution multiple customer outages (MCO) – 197 jobs 5. Residential underground cables – 13.4 miles 6. Replacement of non-restorable distribution pole rejects – 1,050 units 7. Transfer distribution facilities to new telephone poles – 2,058 units 8. Transformer Monitoring – 51 units Note: Units/miles based on PJDs submitted in September 2021. The final measurement for this will be based on the latest LIPA approved PJD.
Calculation:	Achieve a performance of $\geq$ 90.0% of each of the Program's planned units, as stated in Definition section, per each Program Workplan. Achievement will be calculated as the difference between the planned units/miles and the actual units/miles achieved by December 31, 2022 divided by the planned units/miles.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Complete $\geq$ 90.0% of the planned units/miles for a minimum of 7 out of the 8 listed Proactive Programs within the established target and based on the latest LIPA approved PJD documentation.

T&D-38 Program Unit Cost Variance

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Adherence to proactive program estimations and budgets.
Definition:	Proactive Program unit cost variance is the difference between the costs actually incurred executing a Proactive Program for the planned units and the budgeted or planned amount of cost that should have been incurred. The targeted unit costs stated for the eight programs below, will be measured against corresponding actual unit costs, as of December 31, 2022: 1. Distribution Circuit Improvement Program (CIP) – $12,500/mile 2. Transmission breaker replacement – $167,000/breaker 3. Underground distribution cable upgrades – $924,000/mile 4. Distribution multiple customer outages (MCO) – $38,000/job 5. Residential underground cables – $924,000/mile 6. Replacement of non-restorable distribution pole rejects – $12,200/pole 7. Transfer distribution facilities to new telephone poles – $6,220/unit 8. Transformer Monitoring – $50,000/unit Note: Units/miles cost based on PJDs submitted in September 2021. The final measurement for this will be based on the latest LIPA approved PJD.
Calculation:	Achieve a performance of +/-10% of the per unit cost or per mile cost for the Program Workplan. Achievement will be calculated as the difference between the planned per unit and per mile costs and the actual per unit and per mile costs achieved by December 31, 2022 divided by the planned per unit and per mile costs.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Achieve +/-10% of the planned per unit and per mile costs for a minimum of 7 out of the 8 listed Proactive Programs within the established target and based on the latest LIPA approved PJD documentation.

T&D-39 Project Completion Consistent with Project Design

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Effectively manage capital projects such that completion is consistent with project SEQRA documents and meets the intent of design in the latest LIPA-approved PJD.
Definition:	100% of projects completed consistent with SEQRA documentation.
Calculation:	Annual audit conducted by LIPA, or a third party designated by LIPA, that finds all construction projects completed in 2022 and placed in service in 2022 were consistent with project design and specifications. A single project not being completed consistent with project SEQRA documents would constitute metric failure, based on the latest LIPA approved (approval not to be unreasonably withheld) PJD.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	100% completion of projects consistent with project design and specifications.

2022 Performance Metrics

T&D-40 Double Wood Poles

Allocated Incentive Compensation:	$50,000
Board Policy:	Safety and T&D System Reliability
Related PIPs:	None

Objective:	As a safety and system reliability matter, continue to manage the amount of Double Wood Poles on the T&D system.
Definition:	Amount of double wood poles, as recorded in the National Joint Utilities Notification System (NJUNS), on December 31, 2022.
Calculation:	Count of Double Wood Poles per NJUNS, on December 31, 2022.
Exclusions:	None
Target:	Achieve a Double Wood Pole count that is no higher than the 2021 year-end result. **Note**: A discrete 2022 pole count target number will be calculated after the close of 2021, reflecting performance as of December 31, 2021.

Customer Services Scope Function (20%)

Customer Services Executive Summary/Allocation

Metric #	Scope Function	Metric Name	Dollar Allocation
CS-1	Customer Services	Delivery of Strategic Customer Experience & Billing Projects	$500,000
CS-2	Customer Services	J.D. Power – Residential	$200,000
CS-3	Customer Services	J.D. Power – Business	$200,000
CS-4	Customer Services	Customer Information System (CIS) Modernization – Phase 1	$600,000
CS-5	Customer Services	Customer Transactional Performance	$400,000
CS-6	Customer Services	Billing - Inactive Accounts Long-Term Estimates (LTEs)	$100,000
CS-7	Customer Services	Billing - Active Accounts Long Term Estimates (LTEs)	$100,000
CS-8	Customer Services	Unauthorized Use/Advanced Consumption Resolution	$100,000
CS-9	Customer Services	Billing Exception Cycle Time	$200,000
CS-10	Customer Services	Billing – Cancelled Rebill	$200,000
CS-11	Customer Services	Contact Center Service Level with Live Agent Calls	$175,000
CS-12	Customer Services	Customer Email Closure Rate	$75,000
CS-13	Customer Services	First Call Resolution (FCR)	$100,000
CS-14	Customer Services	Net Write-Offs (Per $100 Billed Revenue)	$250,000
CS-15	Customer Services	Accounts Receivable Aging > 90 Days Past Due (AR>90)	$300,000
CS-16	Customer Services	Days Sales Outstanding (DSO)	$200,000
CS-17	Customer Services	Low to Moderate Income (LMI) Program Participation	$100,000
CS-18	Customer Services	Low to Moderate Income (LMI) Program Automation	$100,000
CS-19	Customer Services	DPS Customer Complaint Rate	$100,000

Customer Services Scope Function Total	$4,000,000

CS-1 Delivery of Strategic Customer Experience & Billing Projects

Allocated Incentive Compensation:	$500,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Implementation of strategic customer projects to improve customer contact and billing experience and drive top quartile performance.
Definition:	Deploy the following improvement projects in compliance with project best practices: 1. Utilize the AMI technology in the field to initiate service disconnect and automate the AMI cut-off process. 2. Use AMI technology to improve the efficiency of theft detection and increase the ability to remotely detect incidents. 3. Conduct chat optimization study to evaluate the effectiveness and measure cost impact on call center operations call/email volume. Assess most effective use of chat, forecasted changes in call volume & satisfaction, including chat availability transaction options. 4. Implement effective new bill print vendor Phase 1 for Kubra print. 5. Credit Card Vendor Phase 0 - execution of a contract by June 1, 2022, and provide a project implementation plan by August 1, 2022. 6. Mobile app enhancement - Enhance outage tracker to provide more details about outage journey and outage especially during major storms or extensive damage. Would provide additional transparency to customers during long duration outages. Also, add the ability for customers to set up Deferred Payment Arrangements so customers are able to choose the best method of making payments in order to stay in good standing. Add elements that will display AMI usage data easily to customers to help them understand exactly where they are with usage and days left in billing cycle allowing them to be in total control of their cost of usage. 7. Kubra enhancement - ETR Range to provide more accuracy and ability to plan for outage duration. This will give a time frame to customers in which they can understand what might be the fastest or longest time it would take to restore their outage as well as ability to support Life Saving Equipment Text Campaign to validate that customers are OK or with power during or after major storms. Project plan and expected outcomes to be provided for AMI field Phase 1 and Kubra bill print Phase 1 to LIPA by January 31, 2022 and all others by March 31, 2022, subject to LIPA approval which shall not be unreasonably withheld and made within 14 days, with implementation by the date specified in Definition and no later than the end of the 2022 Contract Year. PSEG LI can suggest a replacement Project for an above defined project if it is specifically designed to have a measurable defined cost or metric outcome, subject to approval by LIPA.
Calculation:	Each project delivers the expected outcome on target (+/- 3 weeks). 1. 7 out of 7 = 100% payout of allocated incentive compensation 2. 6 out of 7 = 75% payout of allocated incentive compensation 3. 4 out of 7 = 50% payout of allocated incentive compensation

Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Complete the projects in the approved plans for the specified initiatives on schedule: 1. AMI field to initiate the service disconnect by Q1 2022 and automate the AMI cut off process by December 1, 2022 2. AMI theft detection – demonstrate the use case by September 30, 2022 3. Chat Assessment completion by August 1, 2022 4. Migrate to new bill print vendor by March 31, 2022 5. Credit Card Vendor Phase 0 – execution of contract by June 1, 2022 and project plan by August 1, 2022 6. Mobile App enhancement by December 1, 2022 7. Kubra enhancement by September 30, 2022

2022 Performance Metrics

CS-2 J.D. Power – Residential

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Improve customer satisfaction for residential customers, as reflected in improved J.D. Power Residential Customer Survey Scores.
Definition:	This metric comprises the Overall J.D. Power and Associated Annual Electric Utility Customer Satisfaction Study for Residential Customers for the "East Region, Large Segment."
Calculation:	The score will be reported as PSEG Long Island's J.D. Power Customer Satisfaction Survey (Residential) 2022 year-end syndicated score as reported by J.D. Power. This year-end syndicated score for 2022 represents Quarter 1, Quarter 2, Quarter 3, and Quarter 4 results fielded in 2022 and will be the final year-end results publicly reported by J.D. Power. The year-end syndicated score for 2022 will be calculated into a quartile performance for measurement against the quartile performance target.
Exclusions:	None
Target:	Third quartile or better performance for the overall customer satisfaction index in the J.D. Power "East Region, Large Segment."

CS-3 J.D. Power – Business

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Improve customer satisfaction for business customers, as reflected in improved J.D. Power Business Customer Survey Scores.
Definition:	This metric comprises the Overall J.D. Power and Associated Annual Electric Utility Customer Satisfaction Study for Business Customers for the "East Region, Large Segment."
Calculation:	The score will be reported as PSEG Long Island's the J.D. Power Customer Satisfaction Survey Business 2022 year-end syndicated score as reported by J.D. Power. This year-end syndicated score for 2022 represents Wave 1 and Wave 2 results fielded in 2022 and will be the final year-end results publicly reported by J.D. Power. The year-end syndicated score for 2022 will be calculated into a quartile performance for measurement against the quartile performance target.
Exclusions:	None
Target:	Third quartile or better performance for the overall customer satisfaction index in the J.D. Power "East Region, Large Segment."

CS-4 Customer Information System (CIS) Modernization – Phase 1

Allocated Incentive Compensation:	$600,000
Board Policy:	Customer Service
Related PIPs:	ITSM-02

Objective:	To ensure a flexible modern Customer Information System (CIS), capable of effective and efficient customer transactions.
Definition:	1. Perform current environment analysis and deliver a report on how the utility currently operates, including current business processes, existing technical architecture with potential mapping of product retirement and retained interfaces for the meter to cash and other supporting processes to be completed and approved by LIPA (approval not to be unreasonably withheld) by March 31, 2022. 2. CIS Solution / Implementer RFP – Development of detailed functional and technical requirements, development and submission of an RFP for the procurement of a CIS solution/implementer to be completed and approved by LIPA (approval not to be unreasonably withheld) by April 30, 2022. CIS selection and procurement – Select and procure the best-fit CIS solution/implementer through rigorous evaluation to minimize delivery risk to be completed and approved by LIPA (approval not to be unreasonably withheld) by September 30, 2022. 3. CIS Detailed Implementation Project Plan – Submission of the CIS detailed implementation plan to be completed and approved by LIPA (approval not to be unreasonably withheld) by November 30, 2022. The Plan shall verify the functional and technical requirements and deliver a detailed implementation plan with a detailed schedule, milestones, activities, deliverables, vendor Program Management approach/structure project roles, resource needs, to be business process design approach, initial project financial forecast for software/SAS, System integrators and ongoing maintenance cost for operations (negotiated pricing terms). Cost for internal labor project support, internal labor of continuing support and internal program management support (with some variability).
Calculation:	1. LIPA verification of the current environment analysis and deliver a report on how the utility currently operates, including current business processes, existing technical architecture with potential mapping of product retirement and retained interfaces for the meter to cash and other supporting processes to be completed by March 31, 2022. 2. LIPA verification of the executed CIS solution/implementer contracts by September 30, 2022. 3. LIPA approval (approval not to be unreasonably withheld) of the CIS Detailed Implementation Project Plan by November 30, 2022.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Satisfy all the requirements contained in each of the three deliverables, as stated in the Definition and Calculation sections.

CS-5 Customer Transactional Performance

Allocated Incentive Compensation:	$400,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Evaluate current transaction channels for five (5) transactions in an effort to determine satisfaction, cost, and improvements.

Definition:	1. Develop a five (5) question monthly survey for the following customer transactions: payments, billing move in/move out (MIMO) and deferred payment agreements. The fifth survey is around outage reporting and we will continue to utilize the Chartwell Outage Communication Benchmarking.
	
	2. The survey will ask about the following:
	    A. Question confirming the transaction
	    B. Satisfaction of the transaction
	    C. Ease of transaction
	    D. Likelihood of utilizing the transaction channel in the future
	    E. Customer verbatims
	    F. Has the issue you were contacting us about been resolved?
	        i. If no, would you like someone to contact you about this matter?
	
	3. Survey Methodology:
	    A. <u>Non-digital Channels</u>: The survey will be conducted via phone. The survey will be offered in English and Spanish. The sample size is to collect 150 complete responses per transaction for a total of 600 complete surveys per month.
	    B. <u>Digital Channels</u>: The survey will be conducted via email. The sample size is to collect 150 complete response per transaction for a total of 600 complete surveys per month.
	    C. <u>Outage Reporting</u>: The survey will be conducted via email. The sample size is to collect 300 complete responses per transaction. This survey will not be capped and will provide additional responses as available.
	    D. Transactions such as MIMO are impacted by seasonality and may affect sample size but will be statistically valid over the course of the year.
	
	4. Provide the 2021: (1) average cost of each transaction by channel; (2) volume of each transaction by channel. The 2021 cost and transaction volume, by channel will be provided to LIPA by February 28, 2022.
	
	5. Where possible, the current cost by transaction channel, volume will be segmented into vulnerable populations. Vulnerable population is defined as life support customers, Household Assistance Rate customers and customers with $10 agreements.
	
	6. Where possible, the future survey results will be segmented into vulnerable population.
	
	7. On a monthly basis, the survey data will be uploaded into a reporting dashboard and will be shared with LIPA.

	A. Surveys will commence measurement in January 2022 and survey data will start to be provided in February 2022 with subsequent monthly reporting. 8. Submit to LIPA the preliminary trends and recommendations based on the data analysis to allow for inclusion in the 2023 budget, IT and metrics completion in late August. Submit to LIPA by calendar year end final findings and recommendations for changes.
Calculation:	Successfully deliver the above items.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Successfully deliver all the items stated in the Definition section.

CS-6 Billing - Inactive Accounts Long-Term Estimates (LTEs)

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Investigate and take subsequent action to resolve Inactive estimated accounts. Ensure outcomes of field investigations and corresponding results are accurately reflected in CAS records.
Definition:	Inactive accounts are defined as metered accounts that have no current customer of record with energy consumption on the meter or no read. The estimate number will be reported as a count of 1 for each consecutive calendar month the condition occurred. Substandard is defined as meter condition at customer premise that does not meet company specification and does not allow for meter replacement. Master list of existing Inactive estimates as of December 31, 2021 is defined as the 12/31/21 list of accounts as provided above under supporting documentation where the number of estimates is 5 or greater. PSEG LI will document resolution of the master list of Inactive LTE accounts by reason. Resolution of inactive consecutive estimates includes: • Acquired read and if consumption exists the appropriate referral for advance consumption or theft is completed • No meter found at location and new meter installed with service off • No building found and meter subsequently removed from CAS • Multi-family unit served by one meter and can't disconnect service • No access and terminated at pole • Off/disconnected at meter or pole • Substandard condition exists and subsequently following the tariff/rule-based process for resolution at time when customer reapplies for service Monthly tracking of base count of the inactive accounts will be provided with status and respective actions taken in the field and CAS. CAS will be updated to reflect the above scenario and accurately reflects the field condition. Supporting data provided includes: • Excel account detail for all Inactive estimated accounts with the following fields: account number, address, rate class, # of estimates (as defined above) and whether an AMI account was flagged for advance consumption or theft. • DPS to be provided system generated reports for verification Performance on newly created situations in 2022 do not age to 5 or greater estimates without resolution by end of calendar year.

Calculation:	Review, visit and attempt to resolve 100% of Inactive LTE accounts with consecutive estimates 5 or greater.
	Maintain log providing detailed assessment of each Inactive LTE account as defined above and corresponding disposition.
	Count the number of unresolved Inactive meters with 5 or greater estimates as defined above on December 31, 2022 and subtract accounts where completed resolutions were achieved and are still included in the count.
	Calculation examples:
	The December 31, 2022 result is less than or equal to the target

5 or greater volume on 12/31/21	Target for 12/31/22 target
9,000	900
12,000	1,086

Exclusions:	Excludes flat rate bills that are not based on actual meter consumption.
Target:	Reduction to 10% of the 12/31/21 count of meters greater than 5 not to exceed 1,086 total on December 31, 2022.

CS-7 Billing - Active Accounts Long Term Estimates (LTEs)

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Investigate and take subsequent action to resolve Active estimated accounts. Ensure outcomes of field investigations and corresponding results are accurately reflected in CAS records.
Definition:	Estimated Active accounts are defined as metered accounts that have a current customer of record and the account is not being billed on an actual read.
	The estimate number will be reported as a count of 1 for each consecutive month the condition occurred (Note: Bi-monthly billed active accounts are counted only in the month scheduled for billing). If the account was not billed to an actual read in the subsequent month, the estimate account should be increased by 1 for each calendar month.
	Substandard is defined as meter condition at customer premise that does not meet company specification and does not allow for meter replacement.
	Master list of existing Active estimates as of December 31, 2021 is defined as the 12/31/21 list of accounts as provided above under supporting documentation where the number of estimates is ≥ 3.
	PSEG LI will document resolution of the master list of active LTE accounts by reason.
	Resolution of Active consecutive estimates includes:
	- Obtain and use actual read for billing (including customer provided read) - Compliant with process for addressing continued non-Access issues based on the tariff/rule-based process for resolution including, field visits, bill message, special appointments, application of non-access fees, and certified legal notice - No meter found at location and new meter installed with service off - No building found and meter removed from CAS - Multi-family units are served by one meter and can't disconnect. - Substandard condition exists and that are following the tariff/rule-based process for resolution
	Monthly tracking of the Active accounts with status and respective actions taken in the field and CAS. CAS will be updated to reflect the above scenario and accurately reflects the field condition.
	- Supporting data provided includes: - Excel account detail for all Inactive estimated accounts with the following fields: account number, address, rate class, # of estimates (as defined above) and whether an AMI account was flagged for advance consumption or theft. - DPS to be provided system generated reports for verification
	Monthly tracking of the Active accounts with status and respective actions taken in the field and CAS. CAS will be updated to reflect the above scenario and accurately reflects the field condition.
	Supporting data provided includes:

	• Excel account detail for all active estimated accounts with the following fields: account number, address, rate class, # of estimates (as defined above) and whether an AMI account was flagged for advance consumption or theft. • DPS to be provided system generated reports for verification.
Calculation:	Review, visit and attempt to resolve 100% of active LTE accounts with $\geq$ 3 consecutive estimates. Count the number of Active meters with $\geq$ 3 consecutive estimates as defined above on December 31, 2022.
Exclusions:	Excludes flat rate bills that are not based on actual meter consumption.
Target:	Count of active LTE meters equal to 3 or greater not to exceed a total of 700 on December 31, 2022.

CS-8 Unauthorized Use/Advanced Consumption Resolution

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Provide timely processing of unauthorized use case and maximize revenue associated with these cases.
Definition:	Unauthorized use is when there is no active customer of record and there is consumption on the meter. Unauthorized use can occur when a customer of record moves out, but the physical disconnect does not occur or when an account is locked for non-payment and the customer illegally restores their service. Based on current guidelines, a case will be created upon identification of 100 kWh on an account with no customer of record or accounts locked for non-payment with unauthorized reconnection.
	Creation of a timely resolution is critical to minimize the amount of lost revenue. Cases are reported in the advance consumption database and through theft referral cases. Cases are closed in accordance with the billing practices and the PSEG LI procedure for advance consumption or theft related to unauthorized turn-ons after "lock for non-payment".
	Backlog is defined as open cases greater than 90 days.
Calculation:	Count the number of open cases at year end that are over 90 days in the advanced consumption database and open theft referrals.
	Cases are closed in accordance with the billing practices and the PSEG LI procedure for advance consumption.
	Monthly tracking of exclusions and unable to resolve with respective actions taken in the field and CAS will be documented.
Exclusions:	• Multi-tenant unit metering supplied by single service without access to meters and/or disconnect switch. • Substandard condition exists and that are following the tariff/rule-based process for resolution • Rear property or other service with no access to pole • Single service pad mounted transformer with no access to pad mount or meters • Commercial meter with no access to main disconnect or pole • Shared meter duplicate accounts
Target:	A count of ≤ 400 as of December 31, 2022 for open cases over 90 days.

CS-9 Billing Exception Cycle Time

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Provide a timely bill to the customer.
Definition:	Billing Exception Cycle Time measures the timely rendering of accurate bills to customer. This metric measures the percent of billing exceptions completed within the prescribed three day requirement for completion. All bills scheduled for billing that do not have an exception are issued within the 3 business days.
Calculation:	Calculated as the number of billing exceptions completed within the required number of business days (three days) divided by the total number of billing exceptions completed by month, expressed as a percentage. Scheduled bills without exceptions are issued within 3 days.
Exclusions:	<u>Storms that produce > 100,000 outages:</u> In a storm, billing dept. resources are temporarily reassigned to provide phone support in the call center. In the event of a storm that produces 100,000 or more outages, billing dept. resources may be assigned to provide phone support for several days. In that case, for every billing day of the storm when more than 50% of the billing dept. resources are assigned to phone support and up to 3 additional clean up days, we will exclude those days from the "Billing Exception Cycle Time" calculation. This will be capped at 8 business days. <u>Please note</u>: • We will use the "Memo Date" and compare it to the "Completion Date" when applying exclusions supplemented by the Storm tracking charges for the billing agents. • In the history of PSEG Long Island, only 3 storms have produced 100,000 or more outages.
Target:	A performance of $\geq$ 95.0% within the target timeframe. Rounding protocols will allow for a performance of $\geq$ 94.95% to be rounded up to successfully meet the

CS-10 Billing – Cancelled Rebill

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Provide an accurate bill to the customer the first time, not requiring a subsequent adjustment.
Definition:	Accuracy of a customer bill is measured by issuance of a subsequent bill for a previously billed period. To measure the accuracy of the Billing process. We will measure the total amount of total bills issued from Page Center. Cancel/rebill transactions per month are measured based on issuance of a bill for where the customer is receiving a correction for a previously issued bill. This includes all cancellations performed by the PSEG LI staff, as well as the cancel rebills performed automatically by the billing system. This methodology was used to produce IR response LIPA-ITF-IR-014-004.
Calculation:	The sum of the number of the monthly bills cancel rebill for the account noted in the definition above divided by the sum of the number of unique bills for the contract year Issued for the year. Example calculation: • In January of 2021, PSEG Long Island rendered 1,052,628 customer bills • In January of 2021, PSEG Long Island issues 6,601 cancel/rebills • The performance level for January 2021 would be • 6,601 / 1,052,628 = 0.627% • For contract year 2020, PSEG Long Island rendered 13,048,651 customer bills • For contract year 2020, PSEG Long Island issues 84,980 cancel/rebills • The performance level for the performance metric would be • 84,980/13,048,651 = 0.651%
Exclusions:	None
Target:	A performance of $\leq$ 0.50% within the target timeframe. Rounding protocols will allow for a performance of < 0.505% to be rounded down to successfully meet the target of 0.50%.

2022 Performance Metrics

CS-11 Contact Center Service Level with Live Agent Calls

Allocated Incentive Compensation:	$175,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Customer response to contact representative meets customer tolerance levels to promote efficient staffing and customer satisfaction.

Definition:	Contact Center Service level for all calls handled by a representative (live agent) from Nice and HVCA.
	
	• When a customer is seeking to speak to a call center representative, the performance expectation will be:
	   o During blue sky days and any storms defined as "non-major"
	     ▪ 80% of calls will be answered within 30 seconds
	   o During "major storms"
	     ▪ 80% of calls will be answered within 90 seconds
	
	Major Storm is defined as any storm which causes service interruptions of at least ten percent of customers in an operating area, or if the interruptions last for 24 hours or more.
	
	Note: High Volume Call Application results are included in this metric if they are transferred to a live person to handle.
	
	Reporting will include the monthly result by call type (as defined by the IVR Caller intent) and in total, as well as the YTD results. This is an annual performance metric. The YTD value as of December 31, 2022, will be used to determine if the performance target was met. Call Center performance reporting in the data set will include the daily call stats report, including but not limited to busies, abandons, average time spent in the queue, longest queue time.
	
	The data source for reporting in 2022 will be the same data sources used for reporting in 2021. For calls handled using PSEG Long Island IVR's, the source of reporting will be NICE reporting tools. For calls handled using the HVCA application, the source of reporting will be the HVCA reporting system.

Calculation:	The sum of the number of contacts answered in the contract year within the target thresholds defined above is divided by the number of contacts offered in the contract year. Formula = (Storm day calls answered by PSEG LI rep in 90 seconds + HVCA storm calls answered by rep in 90 seconds + Non storm answered by PSEG LI rep + HVCA non storm answered by HVCA provider in 30 seconds) / (HVCA rep offered calls + Nice rep offered calls).
Exclusions:	All contacts that are answered solely by IVR or any other self-service technology are excluded.
Target:	A performance of $\geq$ 80.0% within the target timeframe. Note: The call volume for rep assisted calls in 2022 has been forecasted at 1,328,857 calls (Blue sky 1,209,364 and Storm days 119,493. If the call volume of Blue sky rep assisted calls in 2022 exceeds the above forecast by $\geq$ 60,468 the service level target for 2022 will be adjusted downward to be $\geq$ 78.0%. Rounding protocols will allow for a performance of $\geq$ 79.95% to be rounded up to successfully meet the target of 80.0% and under the conditions stated in the "Note" to the Target section, performance of $\geq$ 77.95% to be rounded up to successfully meet the target of 78.0%.

CS-12 Customer Email Closure Rate

Allocated Incentive Compensation:	$75,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Improve the percentage of customer contact issues that are resolved (closed) via the email & web channels.
Definition:	Customers contact Center Service via email or through their on-line account to resolve various service issues. We want to ensure that we respond and resolve in a timely manner, while delivering an excellent customer experience.
	Resolve (close) the customer service issue received via email or web within 24 hours. An email or web service inquiry will be considered "Closed" when it is assigned a status of "Closed" in Salesforce because no further work is required on the specific case and the customer does not recontact PSEG LI within 10 business days about the same issue. (Note: this might be considered part of the audit process).
	The source data for measurement will be the report produced as part of LIPA-ITF-IR-014-005.
	Number of customer service inquiry contacts offered is the total number of live agent unique email and web customer service inquiry contacts that were received. This is not a simple count of email and web contacts received. Subsequent emails or duplicate emails about the same customer issue are eliminated from the denominator count.
	Removal of duplicate requests & non-customer requests. Non- customer request is defined as marketing or solicitation or customer opinion that has no response needed. Tracking for removal will be documented and available for audit.
	The Salesforce reporting tool will serve as the source of data and made available to LIPA staff for audit purposes and removal for duplicates and non-customer requests noted above will adjust the results. If duplicates exist, the first email received is the start to the 24-hour period and subsequent emails are removed from the count.
	Reporting will include the monthly result by contact reason (as reported by the customer) and in total, as well as the YTD results.
Calculation:	The sum of the number of unique email and web customer service inquiry contacts answered in the contract year within the target threshold divided by the number of unique customer email and web customer service inquiry contacts offered in the contract year as noted in the definitions above which excluded duplicates and non- customer requests
Exclusions:	Storms that produce > 100,000 outages will be excluded from the 24-hour response for up to 8 days. Customers will receive a message notifying them that emergencies should be handled through other channels.
Target:	Successfully close ≥ 70.0% within 24 hours.
	Rounding protocols will allow for a performance of 69.95% and above to be rounded up to successfully meet the target of 70.0%.

CS-13 First Call Resolution (FCR)

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Measure customer ease of interaction and Service Provider's proficiency in satisfactorily resolving customer issues and questions at the time of initial call.
Definition:	Survey immediately after calls from residential and commercial customers to measure whether the customer issue was handled on the first call. The question used for calculation of this metric is Question #6 in the survey, the customer is prompted to: Instruction prompt "For this question, please answer one for yes and 2 for no". Question #6 "Was this the first time you contacted us to resolve this issue?" Reporting will be consistent with the existing metric breakdown by intent group and residential versus commercial.
Calculation:	Blended (Residential + Commercial calls) for issues handled on the first call / total number of responses.
Exclusions:	None
Target:	≥ 80.0% overall performance for the Contract Year. Rounding protocols will allow for a performance of ≥ 79.95% to be rounded up to successfully meet the target of 80.0%.

CS-14 Net Write-Offs (Per $100 Billed Revenue)

Allocated Incentive Compensation:	$250,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Actively manage the increased COVID-19 receivables.
Definition:	Net Write-Offs (Per $100 Billed Revenue) measures the effectiveness of recovery efforts of uncollectible revenue. It is an overall measure of the possibility of the business incurring bad debts and represents a comparison between total billed revenue and those for which payment is not recoverable and therefore written off.
Calculation:	Measured as the net write-off divided by the electric billed revenues (in multiples of $100) for a rolling 12 months.
Exclusions:	If a state mandated moratorium on shut-off is instituted for residential customers for any point from June 2022, the target will be adjusted to reflect the impact. The adjustment will be equal to the forecasted lock for non-payment write-off amount based on the final bill months that are in the state moratorium amount. If it is a partial month, the target will be lowered by the percent of workdays in the month that are in the moratorium.

A Pro-rated reduction to the targets will be made for new state or federal utility assistance beyond the base HEAP funding if program allows funding to be allocated to final and charge off balances.

PSEG LI can propose adjustments to the targets and associated budget can be made to fund creative forgiveness or settlement programs that result in an improved financial position, if agreed to by LIPA. |
| **Target:** | Net bad debt write-offs ≤ 0.77.

Rounding protocols will allow for a performance of < 0.775 to be rounded down to successfully meet the target of 0.77. |

CS-15 Accounts Receivable Aging > 90 Days Past Due (AR>90)

Allocated Incentive Compensation:	$300,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Effective recovery from the COVID-19 financial impacts by returning to the Pre-COVID performance level for aged receivables > 90 days by the end of the Contract Year.
Definition:	Accounts receivable (AR) > 90 days measures the percent of arrears that have aged more than 90 days.
Calculation:	AR aging % YTD = Rolling 12-month total dollars outstanding more than 90 days / Rolling 12-month total dollars outstanding. PSEG LI can propose adjustments to the targets and associated budget can be made to fund creative forgiveness or settlement programs that result in an improved financial position, if agreed to by LIPA.
Exclusions:	If a state mandated moratorium on shut-off is instituted for residential customers for more than 2 months during 2022, target will be adjusted for the period the moratorium exists based on the incremental funds anticipated during that period. Partial months will be calculated based on workdays and the days covered by the moratorium legislation. Reductions to the target will be made for new state or federal energy assistance beyond the base HEAP on a dollar-for-dollar basis. Reductions to the agreed upon forecast will be done based on the timing when funds are received AND will be accounted for dollar for dollar in the appropriate aging buckets.
Target:	The AR > 90 Days rolling 12-month performance as of December 31, 2022 is: ≤ 30.25% = 100% of Allocated Incentive Compensation ≤ 30.94% = 75% of Allocated Incentive Compensation ≤ 31.63% = 50% of Allocated Incentive Compensation Rounding protocols will be to significant digit outlined in the targets above.

CS-16 Days Sales Outstanding (DSO)

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Effective recovery from the COVID-19 financial impacts by returning to Pre-COVID performance level for Days Sales Outstanding (DSO).
Definition:	Days Sales Outstanding (DSO) measures the days of revenue billed but not collected. This metric is a measure of the average number of days that it takes PSEG Long Island to collect revenue after the account has been billed.
Calculation:	Measured as the 12-month average Accounts Receivable (A/R) value divided by the average daily 12-month revolving sales (e.g. (12-month average A/R)/(12-month revolving sales / 365).
Exclusions:	If a state mandated moratorium on shut-off is instituted for residential customers for more than 2 months during 2022, target will be adjusted for the period the moratorium exists based on the incremental funds anticipated during that period. Partial months will be calculated based on workdays and the days covered by the moratorium legislation. Reductions to the target will be made for new state or federal energy assistance beyond the base HEAP funding on a dollar-for-dollar basis. Reductions to the agreed upon forecast will be done based on the timing when funds are received AND will be accounted for dollar for dollar in the appropriate aging buckets.
Target:	The DSO as of rolling 12-month performance on December 31, 2022 is: • $\leq$ 40.99 = 50% of Allocated Incentive Compensation • $\leq$ 40.43 = 75% of Allocated Incentive Compensation • $\leq$ 39.86 = 100% of Allocated Incentive Compensation Rounding protocols will be to significant digit outlined in the targets above.

CS-17 Low to Moderate Income (LMI) Program Participation

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Increase the Low to Moderate Income (LMI) program customer enrollment in the Household Assistance Rate (HAR).
Definition:	The number of unique valid LMI program enrollees in any month during the calendar year 2022.
Calculation:	Meet the target level of LMI program enrollees in any month during the calendar year 2022.
Exclusions:	Customers who have not met the 18-month renewal process.
Target:	Reach a total Enrollment Objective of ≥ 55,000 LMI program enrollees during any month in calendar year 2022.

CS-18 Low to Moderate Income (LMI) Program Automation

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Automate the Low to Moderate Income (LMI) program enrollment.
Definition:	Automate with one New York City Human Resource Administration for the Rockaways or Department of Social Service for Nassau and Suffolk the enrollment of eligible customers in the LMI program without requiring manual intervention and utilizing data matching processes similar to the ones performed by other New York utilities.
Calculation:	Automation Objectives: • Provide the current resource requirement utilized to process LMI enrollments by January 31, 2022. • Provide a Project Implementation Plan ("PIP") for automated processes for LIPA approval, which shall not be unreasonably withheld, by April 30, 2022. • Implementation of the automated process along with the estimated number of resources saved due to the automation by September 30, 2022.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Meet 100% of the Automation Objectives stated in Calculation section.

CS-19 DPS Customer Complaint Rate

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Keep customer regulatory complaints to minimum.
Definition:	Total Number of Initial Customer Complaints registered with the NY Department of Public Service/Public Service Commission
Calculation:	• Monthly: Initial Complaint Rate = (Initial Complaints Total / Customer Population) * 100,000 Customers • YTD: Rolling 12-month Initial Complaint Rate = [(Rolling 12 Month Initial Complaints Total /12) / Customer Population] * 100,000 Customer
Exclusions:	None
Target:	Target level performance of ≤ 4.2 Rounding protocols will allow for a performance of < 4.25 to be rounded down to successfully meet the target of 4.2.

Information Technology (15%)

Information Technology Executive Summary/Allocation

Metric #	Scope Function	Metric Name	Dollar Allocation
IT-1	Information Technology	Organizational Maturity Level – Doing	$250,000
IT-2	Information Technology	Organizational Maturity Level – Managing	$500,000
IT-3	Information Technology	System Resiliency	$400,000
IT-4	Information Technology	System and Software Lifecycle Management	$300,000
IT-5	Information Technology	System Implementation 2022 Budget Projects (Tier 1 and Tier 2)	$800,000
IT-6	Information Technology	System Implementation – Board Project Improvement Plans (PIPs) (Tier 1 and 2)	$500,000
IT-7	Information Technology	System Segregation	$250,000

Information Technology Scope Function Total	**$3,000,000**

IT-1 Organizational Maturity Level – Doing

Allocated Incentive Compensation:	$250,000
Board Policy:	Information Technology and Security
Related PIPs:	7.04

Objective:	Organizational Maturity Level at CMMI Level 3 in the CMMI V2 Development Model 'Doing' Category within one year.
Definition:	The maturity level of an organization provides a way to characterize its capability and performance. Under the CMMI model, capability levels apply to an organization's performance and process improvement achievements in individual practice areas, and maturity levels represent a staged path for an organization's performance and process improvement efforts based on predefined sets of practice areas. Level 3 is categorized as 'Defined'. An organization at Capability Level 3 focuses on achieving both project and organizational performance objectives. An organization at Maturity Level 3 is proactive rather than reactive, with organization-wide standards providing guidance across projects, programs, and portfolios. CMMI V2 Maturity Level 3 (Development View) requires the following Practice Areas to be rated at Level 3:

Category	Capability Area	Practice Area
Doing	Engineering and Developing Products	Product Integration
Doing	Engineering and Developing Products	Technical Solution
Doing	Ensuring Quality	Peer Reviews
Doing	Ensuring Quality	Process Quality Assurance
Doing	Ensuring Quality	Requirements Development and Maintenance
Doing	Ensuring Quality	Verification and Validation
Doing	Selecting and Managing Suppliers	Supplier Agreement Management
Managing	Managing Business Resilience	Risk Management
Managing	Managing the Workforce	Organizational Training
Managing	Planning and Managing Work	Estimating
Managing	Planning and Managing Work	Monitor and Control
Managing	Planning and Managing Work	Planning
Enabling	Supporting Implementation	Causal Analysis and Resolution
Enabling	Supporting Implementation	Configuration Management
Enabling	Supporting Implementation	Decision Analysis and Resolution
Improving	Improving Performance	Managing Performance and Measurement
Improving	Improving Performance	Process Asset Development
Improving	Improving Performance	Process Management
Improving	Sustaining Habit and Persistence	Governance
Improving	Sustaining Habit and Persistence	Implementation Infrastructure

Calculation:	Number of Practice Areas in the CMMI V2 Development Model 'Doing' Category rated at Level 3 in a CMMI Benchmark Appraisal of PSEG Long Island IT Department conducted by a mutually agreed upon LIPA consultant.

Exclusions:	None
Target:	The PSEG Long Island IT Department reaches Maturity Level 3 in the CMMI V2 Development Model 'Doing' Category by October 2022; and is verified to be at Level 3 via a CMMI Benchmark Appraisal conducted by a mutually agreed upon LIPA consultant. Incentive will be awarded as follows: • 100% incentive if maturity level 3 is achieved in all seven (7) Practice Areas • 60% incentive if maturity level 3 is achieved in five (5) out of seven (7) Practice Areas • 50% incentive if maturity level 3 is achieved in four (4) out of seven (7) Practice Areas • No incentive if maturity level 3 is achieved in less than four (4) Practice Areas

IT-2 Organizational Maturity Level – Managing

Allocated Incentive Compensation:	$500,000
Board Policy:	Information Technology and Security
Related PIPs:	7.04

Objective:	Organizational Maturity Level at CMMI Level 3 in the CMMI V2 Development Model 'Managing' Category within one year.
Definition:	The maturity level of an organization provides a way to characterize its capability and performance. Under the CMMI model, capability levels apply to an organization's performance and process improvement achievements in individual practice areas, and maturity levels represent a staged path for an organization's performance and process improvement efforts based on predefined sets of practice areas. Level 3 is categorized as 'Defined'. An organization at Capability Level 3 focuses on achieving both project and organizational performance objectives. An organization at Maturity Level 3 is proactive rather than reactive, with organization-wide standards providing guidance across projects, programs, and portfolios. CMMI V2 Maturity Level 3 (Development View) requires the following Practice Areas to be rated at Level 3: <table><tr><td>**Category**</td><td>**Capability Area**</td><td>**Practice Area**</td></tr><tr><td>Doing</td><td>Engineering and Developing Products</td><td>Product Integration</td></tr><tr><td>Doing</td><td>Engineering and Developing Products</td><td>Technical Solution</td></tr><tr><td>Doing</td><td>Ensuring Quality</td><td>Peer Reviews</td></tr><tr><td>Doing</td><td>Ensuring Quality</td><td>Process Quality Assurance</td></tr><tr><td>Doing</td><td>Ensuring Quality</td><td>Requirements Development and Maintenance</td></tr><tr><td>Doing</td><td>Ensuring Quality</td><td>Verification and Validation</td></tr><tr><td>Doing</td><td>Selecting and Managing Suppliers</td><td>Supplier Agreement Management</td></tr><tr><td>Managing</td><td>Managing Business Resilience</td><td>Risk Management</td></tr><tr><td>Managing</td><td>Managing the Workforce</td><td>Organizational Training</td></tr><tr><td>Managing</td><td>Planning and Managing Work</td><td>Estimating</td></tr><tr><td>Managing</td><td>Planning and Managing Work</td><td>Monitor and Control</td></tr><tr><td>Managing</td><td>Planning and Managing Work</td><td>Planning</td></tr><tr><td>Enabling</td><td>Supporting Implementation</td><td>Causal Analysis and Resolution</td></tr><tr><td>Enabling</td><td>Supporting Implementation</td><td>Configuration Management</td></tr><tr><td>Enabling</td><td>Supporting Implementation</td><td>Decision Analysis and Resolution</td></tr><tr><td>Improving</td><td>Improving Performance</td><td>Managing Performance and Measurement</td></tr><tr><td>Improving</td><td>Improving Performance</td><td>Process Asset Development</td></tr><tr><td>Improving</td><td>Improving Performance</td><td>Process Management</td></tr><tr><td>Improving</td><td>Sustaining Habit and Persistence</td><td>Governance</td></tr><tr><td>Improving</td><td>Sustaining Habit and Persistence</td><td>Implementation Infrastructure</td></tr></table>
Calculation:	Number of Practice Areas in the CMMI V2 Development Model 'Managing' Category rated at Level 3 in a CMMI Benchmark Appraisal of PSEG Long Island IT Department conducted by a mutually agreed upon LIPA consultant.
Exclusions:	None

Target:	The PSEG Long Island IT Department reaches Maturity Level 3 in the CMMI V2 Development Model 'Managing' Category by October 2022; and is verified to be at Level 3 via a CMMI Benchmark Appraisal conducted by a mutually agreed upon LIPA consultant. Incentive will be awarded as follows: • 100% incentive if maturity level 3 is achieved in all five (5) Practice Areas • 60% incentive if maturity level 3 is achieved in four (4) out of five (5) Practice Areas • 50% incentive if maturity level 3 is achieved in three (3) out of five (5) Practice Areas • No incentive if maturity level 3 is achieved in less than three (3) Practice Areas

IT-3 System Resiliency

Allocated Incentive Compensation:	$400,000
Board Policy:	Information Technology and Security
Related PIPs:	5.02; 5.04

Objective:	Well-designed and robust IT System Resiliency Plan that includes thoroughly exercised Disaster Recovery and Business Continuity Plans for all critical systems/processes.
Definition:	IT Disaster Recovery and Business Continuity Plans are implemented and annually reviewed, updated, approved by LIPA, and successfully exercised for all critical systems/processes identified below. Successful exercise of a Disaster Recovery Plan entails LIPA-observed real-life testing of the production workload being taken over by failover/recovery systems for a period of time and then subsequently restored to the primary system, in accordance with the Disaster Recovery Plan and within the LIPA-approved Recovery Time and Recovery Point Objectives (RTO/RPO). RTO/RPO will be established in the PSEG LI Business Impact Analysis and documented in the Disaster Recovery Plans. The period of time for which the production workloads should be transferred to the failover/recovery systems should typically be a week, but system-specific variations may be approved by LIPA as long as there is appropriate justification, and the proposed alternative provides comprehensive testing with reasonable exposure to all critical and important transactions. System-specific Test Plans must be submitted and approved by LIPA in advance of each test. Successful exercise of a Business Continuity Plan entails LIPA-observed real-life full-scale simulation in accordance with the Business Continuity Plan. Critical Systems/Processes to be exercised are listed below, organized into two waves. Items in Wave 1 are to be exercised by June 30, 2022, and items in Wave 2 by October 31, 2022. Systems/processes that fail an exercise conducted before the target date will be granted a grace period of 45 days during which they can be remediated and successfully re-exercised. An additional set of Wave 3 systems are to be architecturally ready for failover/recovery testing by October 31, 2022, in preparation for 2023 Q1 exercise.

System/Process	Wave 1	Wave 2	Wave 3
OMS/CAD	X		
EMS	X		
DSCADA	X		
SAS	X		
Advanced Metering Infrastructure	X		
Customer and Stakeholder Related Phone Systems	X		
Kubra Outage Map		X	
TFCC HVCA (High Volume Call Answering)		X	
Finesse		X	
IVR (Nuance and 21st Century)		X	
Kubra Muni Portal		X	
MyAccount		X	
OCS		X	
Public Website		X	
ESB		X	

	OSI Soft (Pi Historian)		X	
	GIS			X
	CAS			X
	Agent Desktop			X
	EBO			X
	Pagecenter			X

Calculation:	Percentage of specified Wave 1 and Wave 2 critical systems/processes that are successfully exercised against LIPA-approved Disaster Recovery and Business Continuity Plans within the specified timelines; and of Wave 3 systems that are architecturally ready for failover/recovery in accordance with LIPA-approved Disaster Recovery Plans by October 31, 2022.
Exclusions:	None
Target:	1. 100% of specified Wave 1 and Wave 2 critical systems/processes have Disaster Recovery and Business Continuity Plans that have been reviewed, updated and approved by LIPA in 2022 (which shall not be unreasonably withheld), and are successfully exercised against the approved Disaster Recovery and Business Continuity Plans and Test Plans by June 30, 2022 if in Wave 1, or by October 31, 2022 if in Wave 2, or are remediated and successfully re-exercised within the 45-day grace period if they fail an initial exercise conducted by the target date. 2. 100% of specified Wave 3 systems are architecturally ready for failover/recovery in accordance with LIPA-approved Disaster Recovery Plans by October 31, 2022, and on target for exercise in preparation for 2023 Q1 exercise.

IT-4 System and Software Lifecycle Management

Allocated Incentive Compensation:	$300,000
Board Policy:	Information Technology and Security
Related PIPs:	None

Objective:	All IT and OT assets managed by PSEG Long Island on behalf of LIPA, including but not limited to, computers, communications equipment, networking equipment, hardware, software, and storage systems, are within their active service life and under general support from the product vendor.
Definition:	All IT and OT information assets, including but not limited to, computers, communications equipment, networking equipment, hardware, software, and storage systems, are assessed for end-of-life status and inventoried with information including, at a minimum, the purpose of the system, criticality , current deployed version, latest available version, when it was implemented, when it was last upgraded, end-of-life status, support status, known security risks, and any relevant supporting software/hardware constraints (for instance, a system that requires legacy hardware); with the inventory to be approved by LIPA (which shall not be unreasonably withheld) by March 31, 2022. A plan to replace or upgrade end-of-life assets within two (2) years is submitted to and approved by LIPA (which shall not be unreasonably withheld) by June 30, 2022. The plan will include the support and security provisions for the assets until they are refreshed. Assets identified below are replaced or upgraded in 2022, and all other end-of-life assets are covered in the LIPA-approved 2-year Refresh Plan. _see table below_

Asset	Tier 1	Tier 2
Citrix HW/SW	X	
Corp Wireless Network	X	
Oracle DB Exadata Platform	X	
Oracle DB 11g	X	
CNI PI system	X	
Switch/Router	X	
Control room recorder		X
Messageway SFTP solution		X
Sitecore		X
Virtual Host Servers		X
Windows 2016 Operating System		X

Calculation:	Meet deliverables per specifications in the Definition section.
Exclusions:	All IT and OT assets maintained on behalf of LIPA are included. Physical assets can be covered at the asset class level in the Inventory and the Refresh Plan.
Target:	• IT and OT asset inventory, as specified in the Definition, is approved by LIPA by March 31, 2022. • A 2-year Refresh Plan, as specified in the Definition, is submitted to and approved by LIPA by June 30, 2022. • Assets listed in the Definition are replaced or upgraded in 2022; and all IT and OT assets that are not within their active service life and under general support from the product vendor are covered in the LIPA-approved Refresh Plan.

IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)

Allocated Incentive Compensation:	$800,000 ($500,000 Tier 1 + $300,000 Tier 2)
Board Policy:	Information Technology and Security
Related PIPs:	3.2.2.3; 4.01; 4.05; 4.14; 5.4.2; 7.03; DIA-01; 4.04; 4.13; 4.15; 7.02; 4.18; 3.2.2.4

Objective:	Improve System Implementation Performance to industry standards for projects at or over $1 million for project lifecycle costs.
Definition:	System Implementations are conducted in a structured manner with strong and rigorous project planning, monitoring, and controls, demonstrated by: 1. Project Implementation Plans in an acceptable format as specified below, approved by LIPA (which shall not be unreasonably withheld), for all in scope projects. 2. Monthly Reporting of Project Status and compliance by ten days after the close of each month. 3. Planned project work completed on time and budget. The Project Implementation Plans required for each project will utilize the LIPA-provided 'Project Implementation Plan Template for Implementation of LIPA Recommendations', and must provide substantive information including Project Objectives, End State and Success Criteria, Deliverables, Project Structure, Work Plan, Risk Management Plan, Issue Resolution Plan, LIPA Reporting Plan and Technical Execution Plan, as well as Project Financial Plan and Budget (to be added to the existing template). The LIPA-approved Plans will constitute the baseline against which project performance is measured. Initiatives in scope and approved in the 2022 budget: **TIER 1**

Essential	Project	Description/ Mandatory Deliverables *(All Deliverables require LIPA approval, which shall not be unreasonably withheld)*
X	1. GIS – Long Term Plan, Architecture and Technology Stack Upgrade	(1) Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by January 5, 2022. (2) Development of a GIS Long Term Roadmap to be delivered for LIPA's approval no later than July 1, 2022. (3) Development of an overall long-term architecture with high availability and failover. (4) Modernization of the technology stack, in line with the approved plan. (5) Migration of GIS Data and Applications, maps, backend database, etc. to the new platform, in line with the approved plan and the 2022 Budget PJD, with the exception of the low-priority/low-impact New Reporting and Address Validation applications that LIPA has approved for a 2023 migration. The upgraded, comprehensively tested and documented system(s) will be fully deployed in production no later than December 31st, 2022.
X	2. DER Visibility (U2.0)	Provide Distribution Operators visibility to DER in the Monarch eMap platform. Deliverables to include: (1) Project Implementation Plan (as described above), with the objective of integrating 27 commercial DER of greater than 1 MW

			capacity into the eMap to display DER locations and SCADA data; to be submitted for LIPA approval by March 31, 2022. (2) Complete Planning and Design Phase (3) Complete Cybersecurity Review and Approval (4) Complete System Integration (Infrastructure and Equipment Upgrades and installations, OSII Factory Acceptance Testing, Program Development System, ICPP Interface and Databases) by November 30, 2022.

	X	3. ADMS Network Model and Long-Term Roadmap	(1) Planning, Design and Discovery with deliverables including:
			• Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by June 30, 2022.
			• Functional and Technical Requirements, including use cases that map how information will be used.
			• 3-year Roadmap and Conceptual Architecture Document covering the entire grid including the substations and circuit analysis, to be delivered for LIPA approval no later than November 30, 2022. The Roadmap will be a strategic plan and will define a holistic futuristic vision for ADMS; identify the prioritized required future capabilities and the technology, data and processes needed to realize those capabilities; and drive the subsequent implementation decisions and investments; and will incorporate:
			   o Technology and data assessment and gap analysis, including identification of all relevant IT and OT systems[1], and assessment of existing and necessary data to support the vision
			   o Regulatory and security requirements and impacts
			   o Business process impacts/organizational change management, including future workforce needs and skill sets
			   o Identification of desired integration points and the level of integration required to support the vision; including a Conceptual Architecture Diagram that provides a representation of all the systems to be integrated into the ADMS platform, including the functional layers of each system that will be integrated
			   o Initial prioritized sequence of investments to achieve the vision and objectives, to be finalized by 2023 Q2.
			   o Initial financial analysis and plan, to be finalized by 2023 Q2.

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[1] Component, auxiliary and related systems could include supervisory control and data acquisition (SCADA), geographic information systems (GIS), distribution management systems (DMS), automated meter reading/advanced metering infrastructure (AMR/AMI), outage management systems (OMS), distributed energy resources management systems (DERMS), energy management systems (EMS), customer information systems (CIS), and meter data management systems (MDMS)

		4. MEGA – Storm Damage Assessment App	This initiative requires an overall long-term enterprise mobile plan (see Item 11). (1) Deliverables of initial Planning, Design and Discovery to include: • Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by June 30, 2022. • Long-term MEGA Strategy document, including sequencing and prioritization, which must be in accordance with a LIPA-approved long-term Enterprise Mobile Plan. • Detailed Functional and Technical Requirements. (2) Delivery of all scope identified for 2022 in the LIPA-approved plan.
	X	5. Regulatory Billing Projects (Community Choice Aggregation-CCA/ESCO Billing; Solar Communities Credit- FIT V; Suspend Daily Service Charges)	For the specified Regulatory Billing Projects (CCA/ESCO; SCC-FIT-V; SDSCC), deliverables to include: (1) Detailed Project Implementation Plan (as described above), with the objective of implementing the new rates on January 1, 2023, to be submitted for LIPA approval by March 31, 2022. (2) Functional and Technical Requirements, to be submitted to LIPA for review by May 1, 2022. LIPA approval will be required on regulatory requirements and rate design. (3) Technical Design. (4) Development. (5) Comprehensively tested and documented solutions ready for January 1, 2023, rate implementation. Community Choice Aggregation-CCA/ESCO Billing The scope of the project will include all IT and billing work needed to meet the requirements identified in metric RT-1. Solar Communities Credit - FIT V The project will include the capability to provide bill credits to participating customers. Program design to be approved by LIPA. Suspend Daily Service Charges The scope of this project will include all IT and billing work needed to implement the provisions of the filed Tariff proposal to Suspend Daily Service Charges in extended outages.
		6. Contact Center as a Service (CCaaS) Project	(1) Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by January 31, 2022. (2) Deliver all scope identified for 2022 in the LIPA-approved plan in line with vendor response to the RFP.
		7. Outage and Incident Communications - Phase 2	Implement DPS requirements for data transfer for outage and incident management: (1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by November 2022, to be submitted for LIPA approval by June 30, 2022. (2) Delivery of all scope identified for 2022 in the LIPA-approved plan, in line with the 2022 budget PJD.

	X	8. Billing capability for standby rates, to be optional for all commercial customers	The project will be implemented via a hybrid approach, with manual billing initially and parallel efforts for development and deployment of automated billing. Deliverables to include: (1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by Q2 2023, to be submitted for LIPA approval by August 31, 2022. (2) Development of automated billing solution, including: • Functional and Technical Requirements (2022) • Technical Design (2022) • Development • Comprehensively tested and documented solutions ready for 2023 Q2 rate implementation. (2) Delivery of all scope identified for 2022 in the LIPA-approved plan.
		9. Community Distributed Generation (CDG) Automated Billing	The scope of the project will include all IT and billing work needed to offer net crediting to all CDG projects (including both value stack projects and net metered projects). It will be implemented via a hybrid approach, with manual billing initially and parallel efforts for development and deployment of automated billing. Deliverables to include: (1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by June 30, 2023, to be submitted for LIPA approval by March 31, 2022. (2) Development of automated billing solution, including: • Functional and Technical Requirements (2022) • Technical Design (2022) • Development • Comprehensively tested and documented solutions ready for 2023 Q2 rate implementation. (3) Delivery of all scope identified for 2022 in the LIPA-approved plan.
	X	10. Enterprise Time and Attendance System (Planning)	Planning and procurement efforts for a comprehensive Enterprise Time and Attendance System to be conducted in 2022, including: (1) Perform current environment analysis and document current business processes, existing solutions, and gaps and business needs, by February 28, 2022. (2) Preliminary Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by March 31, 2022. (3) Software Solution and Implementer RFP – Development of detailed functional and technical requirements; development and issuance of an RFP for the procurement of a solution/implementer; by December 31, 2022; with the RFP to be approved by LIPA prior to issuance.
		11. Enterprise Mobile Strategy including Field	(1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by November 2022; to be submitted for LIPA approval by March 31, 2022.

Work Management	(2) Long-term Enterprise Mobile Plan with sequencing and prioritization. (3) Long-term Field Work Management/Mobile App Strategy document, including work management systems/work order dispatching, which must be in accordance with the LIPA-approved long-term Enterprise Mobile Plan.

TIER 2

Project	Description/ Mandatory Deliverables *(All Deliverables require LIPA approval, which shall not be unreasonably withheld)*
1. CAD & OMS Operational Enhancements	(1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by the end of 2022; to be submitted for LIPA approval by March 31, 2022. (2) Comprehensively tested, documented and fully deployed scope as defined in the LIPA-approved Project Implementation Plan. The scope will include but is not limited to: • Historical Data Migration • Application Monitoring Enhancements • Application Resiliency Enhancements
2. CyberArk for CNI	(1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by the end of 2022; to be submitted for LIPA approval by March 31, 2022. (2) Comprehensively tested, documented and fully deployed test and redundant production CyberArk environments for DSCADA and SCADA EMS, in line with the 2022 budget PJD.
3. Cybersecurity Program	(1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by November 2022, to be submitted for LIPA approval by March 31, 2022. (2) Delivery of all scope identified for 2022 in the LIPA-approved Project Implementation Plan. The scope is expected to include, at a minimum: • ServiceNow Security Operation Enhancements • CISO Dashboard Creation • Splunk replacement with Industrial Defender (NERC)
4. Dragos for CNI	(1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by the end of 2022; to be submitted for LIPA approval by June 30, 2022. (2) Technical Design and Architecture. (3) Comprehensively tested and documented deployment of Dragos Site Manager and sensor equipment into the PSEG Long Island DSCADA and SCADA EMS environments, including both test equipment and production equipment at both the primary and

		alternate control centers; as well as sensor deployment for DSCADA in distribution control centers if included in the architectural design developed during the project, per the scope identified in the LIPA-approved Project Implementation Plan. The scope is expected to be in line with the scope identified in the 2022 Budget PJD; however, reasonable and justified modifications may be proposed in the Project Implementation Plan.
	5. Industrial Defender for DSCADA	(1) Detailed Project Implementation Plan (as described above), with the objective of completing the project by the end of 2022; to be submitted for LIPA approval by March 31, 2022. (2) Technical Design and Architecture. (3) Comprehensively tested and documented full deployment of Industrial Defender ASM and ASAs into the DSCADA network environment based on architectural design requirements, per the scope defined in the LIPA-approved Project Implementation Plan. The scope is expected to be in line with the scope identified in the 2022 budget PJD; however, reasonable and justified modifications may be proposed in the Project Implementation Plan.
	6. AVLS Integration with Physical ID Badge System	(1) Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by June 30, 2022. (2) Business Requirements, to be approved by LIPA (3) Comprehensively tested, documented and fully deployed integration (In Production) of the AVLS system with the LI employee badge system per the scope defined in the LIPA-approved Project Implementation Plan. The scope is expected to be in line with the scope identified in the 2022 budget PJD; however, reasonable and justified modifications may be proposed in the Project Implementation Plan. • Minimum viable product that meets pre-storm reimbursement requirements to be deployed by June 1, 2022. Remaining scope to be delivered by November 30, 2022. (System must be able to track the employee to vehicle and provide the hours associated with vehicle use)
	7. AMI system Enhancements	(1) Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by March 31, 2022. (2) Delivery of all scope identified for 2022 in the LIPA-approved Project Implementation Plan. The scope is expected to be in line with the scope identified in the 2022 budget PJD; however, reasonable and justified modifications may be proposed in the Project Implementation Plan. The 2022 Budget PJD scope specifies the following scope: Command Center increased automation and improved alert notifications for high temperature reads, newly energized stolen meters, and lost meters, updated reporting, and updated dashboards, updating GUI functionalities for remote connect/disconnect commands and viewing power outage history,

		portal enhancements for TOU configuration edits, and a better test environment.
	8. Suffolk County Sewage Billing Project	(1) Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by March 31, 2022. (2) Functional and Technical Requirements, to be submitted for LIPA approval by October 31, 2022. (3) Comprehensively tested, documented and fully deployed billing changes to support the Suffolk County Sewage Billing requirements, to be delivered by 2023 Q2.
	9. Rate change Enhancements	(1) Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by June 30, 2022. (2) Delivery of all scope identified for 2022 in the LIPA-approved plan.
	10. New Business Portal	(1) Detailed Project Implementation Plan (as described above), to be submitted for LIPA approval by March 31, 2022. (2) Functional and Technical Requirements (RTM). (3) Functional and Technical Design. (4) Delivery of all scope identified for 2022 in the LIPA-approved Project Implementation Plan. The scope is expected to be in line with the scope identified in the 2022 budget PJD; however, reasonable and justified modifications may be proposed in the Project Implementation Plan.
Calculation:	- Percentage of projects listed in the Definition section that have LIPA-approved Project Implementation Plans by the dates indicated above. - Percentage of the 2022 planned work (milestones/deliverables) listed in LIPA-approved Project Implementation Plans for the projects listed in the Definition section that is completed on schedule (+/- 2 weeks). - Actual costs within +/- 10% of budgeted costs, as follows: (1) For Tier 1 projects, total 2022 budget for all included projects relative to the total actual 2022 costs for the projects. (2) For Tier 2, actual cost for each individual included project relative to the budgeted costs for that project. Percentage will be measured and reported monthly based on delivery on time (+/- 2 weeks); however, the metric is based on the full contract year performance.	
Exclusions:	Projects not listed in the Definitions section of this metric. Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.	
Target:	90% of initiatives listed above in the definition section have LIPA-approved Project Implementation Plans by the dates indicated above. 100% of the Tier 1 and 75% of the Tier 2 work planned for 2022 is completed on schedule (+/- 2 weeks) per the applicable LIPA-approved Project Implementation Plans, and within approved budget (+/- 10%). - PSEG LI can substitute up to 20% of the Tier 2 projects listed in the Definitions section with mutually agreed upon equivalent projects through February 28, 2022. The alternate projects must address operational or organizational risk, not be	

| | covered in any other metric, and have a scope and level of effort similar to the project being replaced.

Incentive will be awarded as follows:
• $500,000 for meeting the target for Tier 1 projects.
    ○ 100% incentive for meeting the target for 100% of projects
    ○ 60% incentive for meeting the target for 8 out of 11 projects, as long as the target is met for all projects identified as essential in the Definition
    ○ No incentive if less than eight projects
• $300,000 for meeting the target for Tier 2 projects.
    ○ 100% incentive for meeting the target for 75% of projects |

IT-6 System Implementation – Board Project Improvement Plans (PIPs) (Tier 1 and 2)

Allocated Incentive Compensation:	$500,000 ($300,000 Tier 1 + $200,000 Tier 2)
Board Policy:	Information Technology and Security
Related PIPs:	3.2.2.3; 4.01; 4.14; 5.4.2; DIA-01; 4.13; 4.15; 4.18; 3.2.2.4

Objective:	Improve System Implementation Performance to industry standards for projects to satisfy Board-adopted recommendations.
Definition:	System Implementations are conducted in a structured manner with strong and rigorous project planning, monitoring, and controls, demonstrated by: 1. Project Implementation Plans approved by LIPA (which shall not be unreasonably withheld) in an acceptable format for all specified projects. 2. Monthly Reporting of Project Status and compliance by ten days after the close of each month. 3. Planned project work completed on time. The Project Implementation Plans required for each project will utilize the existing LIPA-provided 'Project Implementation Plan Template for Implementation of LIPA Recommendations'. The majority of recommendations in scope for this metric have Board-approved PIPs with Planned End Dates in 2021. For all recommendations with already approved PIPs, the Approved PIP Planned End Dates are the baselined dates against which status is and will be reported to the Board. The Due Dates specified below that are later than the Approved PIP Planned End Dates are for the purposes of this metric only, to set achievable 2022 targets for already Delayed projects. Recommendations or Project Implementation Plans ("PIP") adopted by the Board: **TIER 1**

Essential	Recommendation	Description/ Mandatory Deliverables *(All Deliverables require LIPA approval, which shall not be unreasonably withheld)*	Due Date	Approved PIP Planned End Date
	1. 3.2.2.3: Work with CGI to obtain and implement fixes for identified application defects, including upgrading to a more recent version of the OMS software.	• Completed root cause analysis, remediated issues and recommended application performance items, fully tested and deployed 6.7 system (hardware and application), acceptance test package • OMS Causal Document • Test Strategy & Plan • Test Execution Results • Technical Architecture Document • Post-deployment 30-day monitoring issue log	March 31, 2022	May 31, 2021

	x	2.	4.01: Develop and execute a comprehensive and strategic technology plan for outage reporting and communications.	Strategic Technology Plan for Outage Reporting and Communications, per approved PIP.	August 31, 2022	November 1, 2021

		3.	4.14: Complete the Mobile Workforce Solution for foreign crews and crew guides, ensuring that procedures are integrated into the ERP.	(1) Revised PIP, to be submitted for Board approval by March 31, 2022, in accordance with the following end-state and deliverables:
				• Mobile Workforce /CAD two-way integrated solution in accordance with ITF recommendations, infrastructure, hardware, software, and devices (BYOD) ready for deployment to up to 1000 foreign crew teams. All onboarding process, training, support, and documentation completed. Testing (including load testing) completed.
				• Deliverables to include:
				    o Design and Technical Architecture Documents
				    o Test Strategy and Plan
				    o Test Execution Results
				    o Solution deployment complete and validated with a test group of users by December 31, 2022.
				• Full deployment to be completed by 2023, Q2 (Prior to the Storm Season)
				(2) Delivery of all deliverables and work identified for 2022
					Q2 2023	August 30, 2021 (PIP to be revised and re-submitted)

				in the Board-approved revised PIP		

	x	4.	5.4.2b: AMI Integration and Operation with OMS (Integration component of 5.4.2: Complete the deployment of smart meters and the full integration of smart meters with OMS so that outage reports will be available to OMS more rapidly and embedded outages (i.e., small-scale outages downstream of larger-scale outages) will be more readily identified, thus enhancing the efficiency of job dispatch.)	(1) Board-approved PIP in accordance with the following end-state and deliverables:
				• Comprehensively tested, documented and fully deployed and operationalized integration of AMI and OMS 6.7, including the following features:
				  ◦ Manual Pinging of Meters directly from OMS
				  ◦ Identification of Embedded Outages
				  ◦ Identification of mainline single-phase damage
				  ◦ Automatic energizing of jobs in OMS
				• AMI Integration Roadmap
				• Technical Design and Architecture Documents
				• Test Strategy and Plans
				• Test Execution Results
				• Updated Processes and Procedures
				(2) Deliverables per Board-approved PIP
					March 31, 2022	NA (PIP Pending Re-submission). PSEG LI Proposed End Date: August 9, 2021

	x	5.	DIA-O1: Develop a Standardized Data Access Platform consisting of an enterprise-wide data warehouse, a broader data lake, and provisioning and development of tools to support reporting and analytics.	Develop a plan and long-term roadmap by March 31, 2022, which addresses the Board Data Access recommendation and includes: • Conduct Data Assessment (LIPA Internal, DPS and PSEG LI) per the Board Recommendation • Develop high-level requirements and Use Cases addressing the Board Recommendation	December 31, 2022 (Phase 1)	NA (no approved PIP)

		• Develop and submit Master Data Analytics Project Plan by March 31 that includes a Phase 1 deployment by the end of 2022 per the Board recommendation.		

TIER 2

Recommendation	Description/ Mandatory Deliverables *(All Deliverables require LIPA approval, which shall not be unreasonably withheld)*	Due Date	Approved PIP Planned End Date
1. 4.13: After the OMS faults are diagnosed and repaired, thoroughly stress-test the CAD system and the ESB to ensure there are no independent defects affecting either system.	CAD and ESB are stress tested against the repaired OMS 6.7 system. Functional and technical criteria (acceptance criteria) have been established and agreed upon by LIPA, and all tests pass based upon said criteria. Deliverables to include: • OMS Causal Document • Test Strategy & Plan • Test Execution Results	March 31, 2022	May 31, 2021
2. 4.15: Performance test OMS and feeder systems to establish peak capacity.	Established peak capacity performance baseline of OMS 6.7 and its external interfaces, per approved PIP. Deliverables to include: • Test Strategy & Plan • Test Execution Results • Documentation of the peak capacity of the OMS v6.7 eco-system to address storm conditions.	March 31, 2022	June 8, 2021
3. 4.18: Monitor application performance and error logs of all mission critical application systems, such as OMS, CAD, SCADA, ESB, etc.	(1) Board-approved PIP in accordance with the following end-state and deliverables: • All mission critical application performance data and logs and error logs are monitored 24x7 in NOC. Processes and procedures including thresholds and corrective or preventative actions are established, documented, tested and trained for. This expands on specific monitoring	March 31, 2022	NA (PIP Pending Re-submission). PSEG LI Proposed End Date: May 3, 2021

		recommendations to encompass structured and documented monitoring of all mission critical systems. • System and process documentation for monitored application systems, including telecom systems. Application monitoring part of NOC operations documentation. (2) Deliverables per Board-approved PIP		
	4. 3.2.2.4: Automate monitoring of OMS and CAD performance at the application level to detect application failures and give administrators an opportunity to adjust the configuration settings that affect performance.	(1) Board-approved PIP in accordance with the following end-state and deliverables: • Deployed automated application-level monitoring of OMS 6.7 and CAD performance allowing administrators to make adjustments in case of application failures. • System and process documentation for tested and deployed automated monitoring. (2) Deliverables per Board-approved PIP	March 31, 2022	NA (PIP Pending Re-submission. PSEG LI Proposed End Date: May 3, 2021
Calculation:	• Percentage of projects listed in the Definition section that have LIPA-approved Project Implementation Plans by February 5, 2022 or other date specified in the Definition section. • Percentage of the projects listed in the Definition section that are completed per LIPA-approved scope by the Due Date specified in the Definition; or have all planned 2022 work completed by December 31, 2022 if the specified Due Date is in 2023.			
Exclusions:	Projects not listed in the Definitions section of this metric. Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.			

Target:	• 100% of initiatives listed above in the definition section have LIPA-approved Project Implementation Plans by February 5, 2022, except for 4.14, which will have a revised PIP submitted for Board approval by March 31, 2022.
	
	• 100% of the Tier 1 and 75% of the Tier 2 projects are completed per LIPA-approved scope by the Due Date specified in the Definition; or have all planned 2022 work completed by December 31, 2022 if the specified Due Date is in 2023.
	
	Incentive will be awarded as follows:
	• $300,000 for meeting the target for Tier 1 projects.
	   o 100% incentive for meeting the target for 100% of projects
	   o 60% incentive for meeting the target for 4 out of 5 projects, as long as the target is met for all projects identified as essential in the Definition			

	• $200,000 for meeting the target for Tier 2 projects. ○ 100% incentive for meeting the target for 75% of projects

IT-7 System Segregation

Allocated Incentive Compensation:	$250,000
Board Policy:	Information Technology and Security
Related PIPs:	7.03; ITSM-01

Objective:	Separate LIPA IT systems from PSEG New Jersey systems.
Definition:	All LIPA IT Systems and Infrastructure operated by PSEG Long Island are independent of PSEG New Jersey systems.
Calculation:	Percentage of planned 2022 work in the LIPA-approved PSEG Long Island System Segregation Plan that is completed in 2022.
Exclusions:	None
Target:	• Development of a PSEG Long Island System Segregation Plan complying with the requirements of Section 4.2(A)(1)(q) for separation of all Long Island systems within the time specified by the contract, to be completed with the objective of segregating all Long Island systems by the end of 2023. • The PSEG Long Island System Segregation Plan is submitted for LIPA approval, which shall not be unreasonably withheld, within 120 days of signing contract. • All planned work for 2022 in the LIPA-approved PSEG Long Island System Segregation Plan is completed in 2022.

Business Services Scope Function (15%)

Business Services Executive Summary/Allocation

Metric #	Sub-Function	Scope Function	Metric Name	Dollar Allocation
BS-1	ERM-1	Business Services	Enterprise Risk Management (ERM) Report	$150,000
BS-2	ERM-2	Business Services	ERM Key Risk Indicators (KRIs)	$150,000
BS-3	HR-1	Business Services	Employee Engagement - Participation Rate	$100,000
BS-4	HR-2	Business Services	Employee Engagement - Score	$200,000
BS-5	HR-3	Business Services	Full Time Vacancy Rate	$200,000
BS-6	PMA-1	Business Services	Contract Administration Manual (CAM) Completion	$50,000
BS-7	BGT-1	Business Services	Affiliate Cost Benefit Justification	$250,000
BS-8	BGT-2	Business Services	Capital Project Impact Analysis	$100,000
BS-9	ACC-1	Business Services	Substation Property Tax Report	$150,000
BS-10	ACC-2	Business Services	Substation Property Tax Module Plan	$50,000
BS-11	RT-1	Business Services	Long Island Choice Reform	$150,000
BS-12	RT-2	Business Services	Advanced Metering Infrastructure (AMI) Opt Out Fees	$100,000
BS-13	LEG-1	Business Services	Information Request (IR) Responses	$150,000
BS-14	LEG-2	Business Services	Legal Staffing	$150,000
BS-15	LEG-3	Business Services	Contractor Performance Evaluation System	$250,000
BS-16	E&C-1	Business Services	Government & Legislative Affairs	$100,000
BS-17	E&C-2	Business Services	Project Outreach	$200,000
BS-18	E&C-3	Business Services	Customer Segmentation	$100,000
BS-19	E&C-4	Business Services	Reputation Management – Positive Media Sentiment	$100,000
BS-20	E&C-5	Business Services	Reputation Management – Share of Voice	$100,000
BS-21	E&C-6	Business Services	Social Media Engagement and Following	$200,000

Business Services Scope Function Total	$3,000,000

2022 Performance Metrics

BS-1 (ERM-1) Enterprise Risk Management (ERM) Report

Allocated Incentive Compensation:	$150,000
Board Policy:	Enterprise Risk Management
Related PIPs:	ERM-04 (Produce Annual Report)

Objective:	Develop a Comprehensive Enterprise Risk Management Program
Definition:	Deliverable 1: Deliver a comprehensive Annual Enterprise Risk Management Report by June 30, 2022 and an update no later than December 15, 2022. The 2022 Annual Enterprise Risk Management Report will address the following: • An update of the material included in the 2021 report • Targeted improvements over the 2021 Annual Enterprise Risk Management Report, as mutually agreed upon with LIPA ERM • Key insights for year-over year changes for the Tier 1 and Tier 2 risks (Key insights are defined as, an understanding of why and how the risks have changed from the prior year, including changes to the list itself or within a discrete risk) • For all Tier 1 and Tier 2 risks, actionable mitigations intended to reduce or prevent an increase in either the likelihood or impact of the risk • Current status of the mitigations that are tracked on the Mitigation Tracker; the form and substance of the Mitigation Tracker will be mutually agreed upon with LIPA ERM • Detailed calendar for deep dive analyses The Annual ERM Report will be reviewed and approved by the LIPA ERM Team for completeness of the requirements listed above, quality of the substance provided (judged using the 2021 Annual Enterprise Risk Management Report as reference point), and timeliness of deliverables (which approval shall not be unreasonably withheld). For the avoidance of doubt, the Annual ERM Report will reflect the opinions and recommendations of PSEG Long Island's risk owners as reviewed by PSEG Long Island's senior leadership and LIPA's SMEs. The December update will highlight changes to Tier 1 and 2 risks since the June Annual ERM Report, such as updates to mitigation actions and discussion of new risks or increased concerns, informed by the escalation guidelines. The update will be from senior management's perspective with the necessary input from risk owners. Deliverable 2: Description of a process that will be used to assess the effectiveness of mitigation activities on a qualitative basis.
Calculation:	Deliverable 1 (90% of allocated incentive compensation): • Delivery to LIPA of a comprehensive Annual Enterprise Risk Management report described above (substantially free from errors or omissions) by June 30, 2022, with a presentation to LIPA senior management to be held within 30 days of delivery of the report. • Delivery to LIPA of the December update no later than December 15, 2022. Provided that, if both teams mutually agree, within 10 business days of delivery of the report, that a presentation to LIPA senior management is necessary given the nature of the updates provided in the report, then such presentation will be held within 30 days of that mutual agreement. Deliverable 2 (10%): Delivery of a description of a process that will be used to assess the effectiveness of mitigation activities on a qualitative basis by June 30, 2022.

2022 Performance Metrics

Exclusions:	Schedule relief may be granted for delays) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Compliance with each of the deliverable requirements, with credit applied based on percentage allocation of incentive.

BS-2 (ERM-2) ERM Key Risk Indicators (KRIs)

Allocated Incentive Compensation:	$150,000
Board Policy:	Enterprise Rick Management
Related PIPs:	ERM-04 (KRIs)

Objective:	Develop Proof-of-Value Pilot on Key Risk Indicators (KRIs) for select Tier 1 and Tier 2 risks.
Definition:	During 2022, PSEG Long Island will develop a proof-of-value pilot to define and develop KRIs, including thresholds, and a process for tracking KRIs for select Tier 1 and Tier 2 risks. The pilot program will be limited to no more than a total of five discrete risks (not a collection of bucketed risks), selected from among the Tier 1 or Tier 2 risks listed below: • Loss of Multiple Interconnections • Transmission System Vulnerabilities • Safety Risk • Cyber Attack • Breach of PII • Major Storm – Customer Expectations • Extended Outage to the Outage Management System • Failure of Critical Business System Applications For the avoidance of doubt, a KRI is a metric used as an early signal of changing risk exposure. The proof-of-value pilot will conclude with a recommendation on whether and how to expand into a broader program for developing and tracking KRIs for other selected Tier 1 and Tier 2 risks.
Calculation:	100% completion of the pilot on the 5 risks identified by December 15, 2022.
Exclusions:	Schedule relief may be granted for delays directed or requested by LIPA or situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	100% completion of the pilot on the 5 risks identified and a recommendation on whether and how to expand into a broader program for developing and tracking KRIs for other selected Tier 1 and Tier 2 risks by December 15, 2022.

BS-3 (HR-1) Employee Engagement - Participation Rate

Allocated Incentive Compensation:	$100,000
Board Policy:	Staffing and Employment
Related PIPs:	None

Objective:	Improve rate of employee participation in the annual Employee Engagement survey so results are representative of a larger and broader spectrum of employees.
Definition:	Deliver to LIPA the PSEG Long Island employee engagement survey results for 2022 that evidence a participation rate in the employee engagement survey that (i) has an increase above the 2021 rate by at least 15% for Union employees and (ii) maintains a participation rate of 78% or better for MAST employees, provided that if PSEG Long Island's 2021 survey results achieve a participation rate for Union employees of 75% or higher, the target for Union employees in 2022 will be maintaining or improving upon the 2021 participation rate.
Calculation:	The participation rate is defined as the number of survey responses by PSEG Long Island employees divided by the actual headcount for PSEG Long Island employees as of the date the data collection ends. PSEG Long Island actual headcount includes all full time and part time employees. The same definition will apply to both the 2022 survey and the 2021 survey that defines the baseline. The "*participation rate component*" of this metric is calculated as the 2022 score (in percent) minus the 2021 score (in percent) divided by the 2021 score (in percent).
Exclusions:	Affiliate services employees, contractors, temporary employees, and consultants are excluded from this metric.
Target:	1. Achieve a participant rate increase above the 2021 rate by ≥ 15% for Union employees **and**; 2. Maintains a participation rate of 78% or better for MAST employees Note for Item #1: If PSEG Long Island's 2021 survey results achieve a participation rate for Union employees of 75% or higher, the target for Union employees in 2022 will be maintaining or improving upon the 2021 participation rate.

BS-4 (HR-2) Employee Engagement - Score

Allocated Incentive Compensation:	$200,000
Board Policy:	Staffing and Employment
Related PIPs:	None

Objective:	To drive actions and results that demonstrates higher employee engagement scores in selected categories.
Definition:	Deliver to LIPA the PSEG Long Island employee engagement survey results for 2022 that evidences an increase of at least 4% above the prior year's score for each of the following categories: • Net Promoter Score • Recognition and Reward • Continuous Improvement • Performance Management • Growth and Development • Diversity, Equity, and Inclusion Survey results should be available by department, by level of management and supervision.
Calculation:	1. Net Promotor Score = % Promotors - % Detractors. 2. The "*increase of at least 4% above the prior year's score for each of the following categories*" of this metric is calculated as the 2022 score (in percent) minus the 2021 score (in percent) divided by the 2021 score (in percent).
Exclusions:	Affiliate services employees, contractors, temporary employees, and consultants are excluded from this metric.
Target:	Increase in survey scores must exceed 4.0% above the prior year's score for 4 out of 6 of the categories identified for the Allocated Incentive Compensation to be awarded.

BS-5 (HR-3) Full Time Vacancy Rate

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Obtain the budgeted full-time headcount identified as necessary to achieve operational objectives within the identified categories; and to minimize expenses related to supplemental resources such as temporary employees, consultants, affiliate employees, etc.
Definition:	Achieve an annual vacancy rate no greater than 5.0% for each of the following four categories: • Overall, • Transmission and Distribution, • Customer Services, • Business Services including Power Markets; **and** Achieve a vacancy rate no greater than 7.0% for the following one category: • Information Technology Each of the above measured as the simple average of the 12 monthly results measured on the last day of each month in 2022.
Calculation:	1. The actual headcount for each month in 2022 is defined as the number of full-time employees on the PSEG Long Island payroll on the last business day of each month. 2. The budgeted headcount will be determined from the approved budget for each month of 2022. 3. The monthly Occupancy Rate equals the actual headcount divided by the budgeted headcount in each month. The monthly Vacancy Rate equals 1 minus the occupancy rate. 4. The annual vacancy rate equals the simple average of the monthly vacancy rates. • 100% of allocated incentive compensation payable for achievement of vacancy rate targets for 5 out of 5 categories. • 75% of allocated incentive compensation payable for achievement of vacancy rate targets for 4 out of 5 categories.
Exclusions:	Affiliate services employees, contractors, consultants, part-time employees, temporary employees and long-term disability employees are excluded from this calculation.
Target:	Attainment of an annual vacancy rate of no greater than 5.0% in the four identified categories (Overall, Transmission & Distribution, Customer Service including Energy Efficiency, Business Services including Power Markets) and no greater than 7.0% in Information Technology.

BS-6 (PMA-1) Contract Administration Manual (CAM) Completion

Allocated Incentive Compensation:	$50,000
Board Policy:	Strategic Planning and Oversight
Related PIPs:	None

Objective:	Introduce and execute business process improvements to the administration of the Contract Administration Manual (CAM).
Definition:	The CAM sets forth documentation, reporting and other procedures for all aspects of the administration of the Operations Services Agreement (OSA). PSEG Long Island is responsible for maintaining the CAM by making necessary updates, supplements, or revisions thereto from time to time to reflect applicable Contract Standards and such policies and procedures as the Service Provider may adopt from time to time as provided in the OSA consistent with the Contract Standards. The CAM consists of approximately three dozen individual documents (as of October 2021) outlining process and communication steps between LIPA and PSEG Long Island for various business practices. For the 2022 Contract Year, PSEG Long Island is to perform the following: 1. Appoint a dedicated staff member as the single point of contact for all CAM activities, inclusive of both business and documentation issues, no later than January 31, 2022. This individual is to work closely with their counterpart, LIPA's Senior Manager of Performance Assessment and Contract Administration to coordinate monthly reporting of CAM status. 2. Complete an initial draft for ALL of the following CAMs and submit to LIPA for review. Initial drafts for each are to be submitted by March 31, 2022: a. MT-A1: Purpose and Scope of CAM b. MT-A2: CAM Update Process c. BPE-F1: Performance Metric Definition and Adjustment Process d. MT-E2: Approval of Service Provider's Appointment and Replacement of its President/COO and Four Most Senior Executive Managers e. MT-M2: Coordination and Control of Back-End Transition Services Including the Exit Test under the OSA f. CAM-XX-XX (TBD): Pre-approval by LIPA for Information Released Regarding LIPA's Financial Position (Sales, Cash Receipts) or Operational Details that would be Material to Investors g. CAM-XX-XX (TBD): Operationalize the Duty of Candor (2nd A&R OSA) 3. As applicable to all CAMs, review and updating is an iterative process. As such, the Parties will mutually agree to a maximum time period of no longer than 15 business days by which each is expected to complete their review and provide redline edits and comments, as applicable, to the other Party, representing substantive progress towards moving a CAM towards completion.

Calculation:	The metric will be measured as follows: 1. Appointment of dedicated staff member no later than January 31, 2022. Appointment is communicated to LIPA's CAM lead within that same time period. 2. Initial drafts for each of the stated seven CAM documents by March 31, 2022. 3. PSEG LI is to achieve an annual on-time performance of ≥ 90.0% for timely completion of individual iterative updates of all applicable individual CAMs where updating is being performed during the Contract Year, as mutually measured by LIPA and PSEG LI CAM leads.
Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Fully satisfy the requirements of all three items in the Definition and Calculation sections.

BS-7 (BGT-1) Affiliate Cost Benefit Justification

Allocated Incentive Compensation:	$250,000
Board Policy:	Customer Value and Affordability
Related PIPs:	AS-01 (Enhanced Affiliate Budget Transparency)

Objective:	To ensure that the use of Affiliate services is cost effective and in the best interest of LIPA Customers through Cost Benefit Justification.
Definition:	In accordance with recommendation No. 1 of above referenced PIP adopted by LIPA's Board, PSEG Long Island will conduct and submit to LIPA for review and approval a cost-benefit analysis (BCA) for Human Resources (HR) and Information Technology (IT) affiliate services. If justified by the BCA, PSEG Long Island shall develop sourcing plans (PSEG Long Island, Affiliate, third-Party) and/or alternative plans for securing the services pursuant to the outcome of the approved BCA within the timeframes listed below and with full plans developed and changes reflected in the 2023 Budget as warranted.

Calculation:	Specifically, PSEG Long Island will, consistent with the Board-approved PIP:
	
	a. Develop a comprehensive cost-benefit justification/alternative analysis template for LIPA to review and approve prior to initiating analysis.
	
	b. Prepare a cost-benefit justification for HR and IT affiliate services, comparing its cost and level of service (as appropriate) with the alternative of providing the service by PSEG Long Island dedicated workforce and/or outsourcing it to a third-party vendor using benchmark and, market data or other reasonable estimates of rates and costs readily available to PSEG.
	
	c. If LIPA, in its reasonable judgment, determines that the cost and quality justification provided by the PSEG for the performance or continued performance of the scope functions or scope sub-functions by the Affiliate versus performance by qualified subcontractor or PSEG Long Island does not adequately justify moving forward (or continuing to move forward) with the performance of the scope functions or scope sub-functions by the Affiliate, PSEG Long Island and LIPA shall meet to discuss LIPA's concerns and PSEG Long Island shall have the option to submit a remediation plan to reduce costs or otherwise address LIPA's concerns within 60 days and, if LIPA reasonably concludes that such remediation plan is insufficient to address its concerns, PSEG Long Island shall submit a project plan, including a detailed budget submission, as required, for LIPA review and approval to transition such services from the Affiliate to PSEG Long Island or a third-party vendor within a period not to exceed 120 days, unless a longer period is mutually agreed to by the parties as necessary, which agreement shall not unreasonably be withheld.
	
	d. Based on the outcomes of Part b and Part c, for each Affiliate Service evaluated one of four possible outcomes will be achieved:
	
	    i. Agreement between PSEG and LIPA to continue delivering the Service via the existing Affiliate model
	
	    ii. Agreement between PSEG and LIPA to continue delivering the Service via a modified Affiliate model
	
	    iii. Transition to PSEG Long Island.
	
	    iv. PSEG develop plans to transition services to third parties where use of PSEG Long Island or other PSEG affiliates is not cost- or quality justified. Implementation of the plans is not part of the metric calculation.

	For the agreed upon solution, PSEG will submit for LIPA approval (which shall not be unreasonable withheld) a remediation plan that addresses LIPA's concerns and is implemented within a period not to exceed 120 days or a mutually agreed upon later date.
Exclusions:	None
Target:	1. By March 31, 2022, PSEG and LIPA will reach agreement on specific scope of affiliate services within HR and IT that will be analyzed with timeline to split scope / analysis over of 2022 Q2 and 2022 Q3 2. By June 30, 2022, PSEG will complete analysis of Q2 scope as agreed upon in Item #1 3. By September 30, 2022, PSEG will complete analysis of Q3 scope as agreed upon in Item #1 4. By November 30th, 2022, PSEG will complete development remediation plans for any services deemed deficient in cost or quality. Execution of remediation plans may go beyond this date.

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BS-8 (BGT-2) Capital Project Impact Analysis

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Implement a Capital Project Impact Analysis Process
Definition:	Capital Projects (defined as individual Specific Capital Projects as well as Capital Programs) can have a major impact on both the cost of operations and the operations themselves. As part of the overall budget development process PSEG Long Island identifies and provides analysis of the capital project benefit, including the operating budget impact. To ensure accountability, transparency and realization of desired project benefits, a process that facilitates strong management focus both during project implementation and beyond must be implemented.
Calculation:	PSEG Long Island currently has a process to evaluate the O&M impacts of capital projects nearing their in-service date. This metric aims at enhancing the current process and incorporating this analysis into the project development phase to aide in determining the project's viability. PSEG Long Island needs to develop and implement a capital project impact analysis process, including an assessment of discernable O&M impacts and qualitative impacts, such as customer benefits and enhanced system reliability for applicable capital projects. The analysis should include a framework for conducting a quantitative analysis and documenting qualitative benefits. This process would ultimately be used to measure and track benefits for major projects. Major projects proposed for approval in the 2023 budget cycle, herein are defined as those having a total project cost of $25.0 million or greater and projects that would reasonably be expected to have an operating budget impact when implemented of $1.0 million or greater (cost or savings) on an annual basis when fully implemented. The framework should leverage the current budget development process as well as through enhancements to the project management process, to ensure that project benefits identification is defined upfront.
Exclusions:	None
Target:	1. Provide LIPA with draft framework for approval, which shall not be unreasonably withheld, by June 30, 2022. 2. Draft new internal procedures by August 30, 2022 3. Provide LIPA analysis for new projects seeking approval in the 2023 planning cycle by September 15. The analysis shall be subject to LIPA review and approval, which shall not be unreasonably withheld. If this results in a listing of less than 5 projects, additional projects will be selected by the Joint PSEGLI and LIPA Capital working group to ensure the analysis is performed for a minimum of 5 projects.

BS-9 (ACC-1) Substation Property Tax Report

Allocated Incentive Compensation:	$150,000
Board Policy:	Taxes and PILOTs
Related PIPs:	None

Objective:	Develop and complete the first annual Substation PILOT and Valuation Report
Definition:	PSEG Long Island shall develop a report using the property tax module and plant accounting data to monitor the reasonableness of property tax PILOTs, and provision of information to LIPA in connection with LIPA's contesting of tax and PILOT-related assessments. The report shall provide Tax and PILOT information for 120 of LIPA's approximately 165 substation properties. The report shall include book cost, reproduction cost of new assets less depreciation (RCNLD) and assessed values. The report will also contain current paid amounts after the application of the 2% Cap as stated in the LIPA Reform Act of 2013. Variances between book cost, assessed value, RCNLD, along with annual taxes paid will help LIPA identify properties for review.
Calculation:	1. Develop and provide final report using CY2021 cost data by December 31, 2022. The format as listed in table below. 2. Minimum 90% accuracy (i.e. 18 of 20) verified through a review completed by LIPA of a sample of 20 of the 120 substations, with selections determined by LIPA. Accuracy as listed in the table below.
Exclusions:	None
Target:	Meet all requirements identified above.

Substation PILOT and Valuation Report - Format and Accuracy			
Column Number	**Source**	**Column Name**	**Accuracy Criteria/Description**
Column #1	PowerPlan	Sub #	NBV Report in PowerPlan
Column #2	PowerPlan	Asset_Location	NBV Report in PowerPlan
Column #3	Master Payment File	Unique Identifier	This is unique item number created for every paid invoice. The Sec Block and Lot on each invoice is matched to Sec Block and Lot on each Substation as listed on the Real Estate (Survey Engineering) Substation File. *Note there are exceptions where the Sec Block Lot on Invoice does not match Sec Block Lot on the Real Estate File*
Column #4	Real Estate (Survery Engineering)	Sub Station Sec Block and Lot	Supplied by Real Estate (Survey Engineering)
Column #5	PowerPlan	RCNLD	Amount from 2.1 RCNLD Report in PowerPlan - location to match to NBV Report
Column #6	PowerPlan	ORPTS	Amount from 2.1 ORPTS Report - location to match to NBV Report
Column #7	PowerPlan	Book Cost	NBV Report in PowerPlan
Column #8	Invoices	Assessment	Amount from Invoice
Column #9	Invoices	Uniform % / EQ Rate	Used to create full (market) value, varies by jurisdiction
Column #10	Invoices	EQ Market Value	Calculation to convert to Market Value as needed
Column #11	Invoices	Full Value	Amount on Suffolk County Invoices, Calculated Value for Nassau
Column #12	Invoices	Total Bill	Amount from Invoice
Column #13	Master Payment File	Total Paid	Taken from Master Payment File

2022 Performance Metrics

BS-10 (ACC-2) Substation Property Tax Module Plan

Allocated Incentive Compensation:	$50,000
Board Policy:	Taxes and PILOTs
Related PIPs:	None

Objective:	Update Substation Valuation Report for all substations to be used for future annual Tax and PILOT Reports
Definition:	Complete Substation Valuation report using the property tax module, and plant accounting data for substations to be used in future annual reports and for LIPA's contesting of tax and PILOT-related assessments. The Property Tax Module and plant accounting data shall include book cost, reproduction cost of new assets less depreciation (RCNLD) and assessed values, as well as current paid amounts after the application of the 2% Cap as stated in the LIPA Reform Act of 2013. Variances between book cost, assessed value, RCNLD, along with annual taxes paid will help LIPA identify properties to challenge.
Calculation:	Provide a Project Implementation Plan ("PIP") to map remaining approximate 45 substations not included in 2022 Tax and PILOT report on substation property by December 31, 2022, which PIP shall be approved by LIPA, and which shall not be unreasonably withheld. Report details as listed in the table below.
Exclusions:	None
Target:	Meet all requirements identified above.

Substation PILOT and Valuation Report - Format and Accuracy

Column Number	Source	Column Name	Accuracy Criteria/Description
Column #1	PowerPlan	Sub #	NBV Report in PowerPlan
Column #2	PowerPlan	Asset_Location	NBV Report in PowerPlan
Column #3	Master Payment File	Unique Identifier	This is unique item number created for every paid invoice. The Sec Block and Lot on each invoice is matched to Sec Block and Lot on each Substation as listed on the Real Estate (Survey Engineering) Substation File. *Note there are exceptions where the Sec Block Lot on Invoice does not match Sec Block Lot on the Real Estate File*
Column #4	Real Estate (Survery Engineering)	Sub Station Sec Block and Lot	Supplied by Real Estate (Survery Engineering)
Column #5	PowerPlan	RCNLD	Amount from 2.1 RCNLD Report in PowerPlan - location to match to NBV Report
Column #6	PowerPlan	ORPTS	Amount from 2.1 ORPTS Report - location to match to NBV Report
Column #7	PowerPlan	Book Cost	NBV Report in PowerPlan
Column #8	Invoices	Assessment	Amount from Invoice
Column #9	Invoices	Uniform % / EQ Rate	Used to create full (market) value, varies by jurisdiction
Column #10	Invoices	EQ Market Value	Calculation to convert to Market Value as needed
Column #11	Invoices	Full Value	Amount on Suffolk County Invoices, Calculated Value for Nassau
Column #12	Invoices	Total Bill	Amount from Invoice
Column #13	Master Payment File	Total Paid	Taken from Master Payment File

BS-11 (RT-1) Long Island Choice Reform

Allocated Incentive Compensation:	$150,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Implement the reforms to the Long Island Choice program that were recommended by the Department of Public Service (DPS) by the deadlines established in the final DPS recommendation, unless modified by LIPA.
Definition:	All elements of the LI Choice recommendation, including: - Termination of the Bill Credit Adjustment and associated transactions with the ESCOs - Introduction of a non-bypassable Local Supply Charge to all customers - Introduction of a bypassable Market Supply Charge to bundled service customers only - Establishment of a utility Single Bill Option with Purchase of Receivables - Establishment of CCA opt-out business processes consistent with the PSC CCA framework, including (a) review and recommendation by DPS of PSEG LI's form CCA data security agreement, (b) publication on PSEG LI's website of a CCA onboarding process document specifying a process that meets the Commission's timelines for provision of aggregated data (20 days), customer contact data (5 days), customer-specific data (2 days), and a utility-generated switch letter. - Implementation of up-to-date Uniform Business Practices specific to LIPA that are consistent with the UBPs approved by the NY PSC for the investor-owned utilities.
Calculation:	Scored on a pass/fail basis, PSEG Long Island must achieve the six reforms to the satisfaction of LIPA by the earlier of December 31, 2022 or the date recommended by the DPS and adopted by the LIPA Board. Meeting all the requirements of all of the six reforms listed above by the required implementation date is required to receive a passing score.
Exclusions:	Requirements deemed to be aspirational or intended for future implementation by the DPS in their recommendation are excluded. Schedule relief may be granted for delays) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	A passing score as described in the Calculation section.

BS-12 (RT-2) Advanced Metering Infrastructure (AMI) Opt Out Fees

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Implement Advanced Metering Infrastructure (AMI) fees associated with the substantial completion of the project.
Definition:	Starting July 1, 2022, begin assessing meter opt-out fees for customers who opt-out of smart meters and one-time meter replacement fees for customers who refuse a smart meter during the initial rollout but later request to change to a smart meter.
Calculation:	Starting with July 2022, all fees are built into the billing system and appear on customers' bills based on meeting the defined criteria.
Exclusions:	None
Target:	All AMI fees are accurately implemented by June 30, 2022.

BS-13 (LEG-1) Information Request (IR) Responses

Allocated Incentive Compensation:	$150,000
Board Policy:	None
Related PIPs:	None

Objective:	To respond to information requests ("IRs") from LIPA within 10 days on 90% of such requests, except where LIPA agrees to exceptions to such response time.
Definition:	LIPA issues IRs in a broad range of areas for data, records, and information that PSEG Long Island generates and maintains on a regular basis on behalf of LIPA. PSEG Long Island agrees that it will respond to such requests within 10 days. If PSEG Long Island requires additional time to respond, a request for an extension of time must be made within 7 calendar days of the IR, which LIPA will not unreasonably deny after consultation with PSEG Long Island. The metric will measure the timely submission of a complete response in 10 days, or the period as extended.
Deliverable:	As long as an information request is sent to PSEG Long Island by 3:00 pm Eastern time on a business day, excluding Fridays in which case an IR shall be sent on the next business day, PSEG Long Island must submit a complete response in 10 days. Responses to IRs must address the questions asked with a substantive response and be received by the end of the 10th day. LIPA will track the time to respond and if 90.0% or greater are timely and complete, all the allocated incentive compensation will be awarded. If partial or non-responsive responses are submitted, they will be treated as incomplete and non-timely, unless an exception applies.
Exclusions:	Where LIPA has agreed to an exclusion to the above or to a longer time frame, the exclusion or extended time frame will apply.
Target:	To be responsive within 10 days (or as extended pursuant to the exception process above) to at least 90.0% of LIPA's requests for information.

BS-14 (LEG-2) Legal Staffing

Allocated Incentive Compensation:	$150,000
Board Policy:	None
Related PIPs:	None

Objective:	To have an adequately staffed Legal department at the Service Provider including attorneys and paralegals.
Definition:	PSEG LI to fully participate in a legal staffing study to be completed in Q1 2022 to be performed at LIPA's direction, to determine any gaps and what is needed to achieve adequate staffing for a fully functional Legal department at PSEG Long Island. The staffing study shall include findings and recommendations, including reasonable timelines for implementation. PSEG LI to develop by June 30, 2022 a plan to implement the recommendations made in the study, taking into account the suggested timelines for implementation, and shall implement the recommendations for 2022 by year end, to the extent the applicable budget is available. The remaining recommendations to be implemented with sufficient budget to complete implementation in 2023, as needed.

Calculation:	1. Beginning on the date set by LIPA, make all PSEG Long Island legal department personnel, and such others as may be required, available to LIPA consultants retained to determine:
	   i) Current staffing in Practice areas and overall in Service Provider Legal department
	   ii) Workload in each area in Service Provider Legal department such as regulatory, real estate, commercial, litigation, environmental, compliance, etc. and how outside counsel is utilized, and
	   iii) Any gaps in staffing and expertise for an electric utility's legal needs.
	2. PSEG LI to create a plan to implement the recommendations of the study by June 30, 2022, taking into account the consultants' suggested reasonable timelines for implementation, and submit it to LIPA for its approval, and
	3. PSEG LI to implement the milestones and deliverables of the approved plan by December 31, 2022, subject to any budgetary limitations in 2022, and to budget implementation in PSEG LI's 2023 budget submission, as needed.

Exclusions:	Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are out of the Service Provider's control.
Target:	Compliance with staffing study as described in item 1 above; the plan being delivered by June 30, 2022; and implementation of deliverables in the approved plan in Step 3 by December 31, 2022.

BS-15 (LEG-3) Contractor Performance Evaluation System

Allocated Incentive Compensation:	$250,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	For contracts valued at $2 million or greater, PSEG Long Island will use a LIPA-approved contractor evaluation system to manage contracts to help ensure LIPA is benefitting from suppliers who provide leading efforts at cost controls, performance quality risk management, and collaborative efforts to promote innovation and transformation as required by 2nd Amended OSA §4.2(A)(1)(m). Additional critical contracts may be evaluated based on a combination of meeting specific value levels and certain risk criteria as jointly agreed by LIPA and PSEG Long Island.
Definition:	a. Develop a contractor performance evaluation system by March 31, 2022, for LIPA approval, which shall not be unreasonably withheld. The evaluation system shall include plans to award and / or re-allocate work that results in the best-performing contractors being retained and to improve or replace non-performing contractors. b. Using LIPA-approved evaluation criteria, evaluate all applicable firms as defined above and present first bi-annual report, including remediation plan, by September 30, 2022. LIPA will provide comments within 30 days. c. Issue a revised report to LIPA by December 31, 2022.
Calculation:	PSEG Long Island will by March 31, 2022, deliver for LIPA review, comment and approval within 30 days, which approval shall not be unreasonably withheld, a contractor management plan that meets each of the terms of 2nd Amended OSA §4.2(A)(1)(m) by evaluating, reallocating or cancelling contracts using the following criteria and targets measured, where applicable, against agreed-upon benchmarks, including: Safety • Safety & Casualty rate (i.e., Safety incidents; causing property damage; safety procedure violation; unsafe conditions). Contract Risks • Contractor supply chain cyber security risk management plan and contract rights. (See e.g., EEI, Model Procurement Contract Language Addressing Cybersecurity Supply Chain Risk, v. 2.0 (May 2020)). • Adequate insurance coverage commensurate with risks associated with project statements of work to protect LIPA's liability interests. • On-track/off-track committed MWBE and SDVOB subcontract spending. • MWBE commercially useful function (CUF) certification. Quality / Performance On-time completion of project milestones • Workforce & resource availability • Productivity rate • Budget adherence/absence of change orders due to contractor fault. Value and Cost • Pricing, including unit price justification and any exceptions for FEMA contracts. • Material tracking and usage. • Invoice timeliness and accuracy. These criteria may not be applicable to all suppliers and will be tailored to suit contractual performance requirements.

	• By September 30, 2022, using evaluations through September 1, 2022, PSEG Long Island shall report and demonstrate to LIPA's satisfaction the steps PSEG Long Island will take to award and / or re-allocate work that results in the best-performing contractors being retained and to improve or replace non-performing contractors. • By December 31, 2022, report updated results of vendor evaluations to LIPA, reflecting LIPA comments on September report, including contractor rankings through November 30, 2022, and provided a plan for how the evaluations will be used to retain, re-allocate or replace non-performing contractors in 2023. The plan will be subject to LIPA approval, which shall not be unreasonably withheld.
Exclusions:	None.
Target:	100% on-time completion of deliverables (a), (b) and (c) on dates set forth above.

BS-16 (E&C-1) Government & Legislative Affairs

Allocated Incentive Compensation:	$100,000
Board Policy:	Strategic Planning and Oversight
Related PIPs:	None

Objective:	Track and provide analysis of proposed legislation that affect LIPA and PSEG Long Island.

Definition:	1. Develop mutually agreed upon legislative watch list with LIPA prior to start of 2022 legislative session.
	2. Provide LIPA with written notice within three weeks of introduction of:
	    Bills in the NYS Legislature that could have a direct impact on LIPA/PSEG Long Island.
	3. Determine, in consultation with LIPA, what bills shall be considered "mutual legislative priorities."
	4. Provide analysis on "mutual legislative priorities" above in an agreed upon format, within 30 days of notification to LIPA of bill introduction. Analysis shall include but is not limited to:
	    a. a summary of proposed legislation
	    b. a summary of potential impacts on LIPA and/or PSEG Long Island operations
	    c. a summary of potential ratepayer impacts
	5. Track status of "mutual state legislative priorities" and provide a bi-weekly update, if updates occur, beginning on January 14, 2022 and continuing until the end of scheduled legislative session. Provide monthly reports after scheduled legislative session until December 31, 2022 unless needed more frequent.

Calculation:	1. Number of legislative bills and ordinances defined above that were not reported timely as a percentage of all reported bills in 2022. 2. Number of bi-weekly legislative reports that were not provided timely as a percentage of all bi-weekly legislative reports provided to LIPA in 2022. 3. Determine the timeliness of legislative bill analysis on mutual legislative priorities.
Exclusions:	Schedule relief may be granted for delay(s) directed or requested by LIPA or for situations and/or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control, including preparation and/or response to a major weather event or other emergency event.
Target:	1. A $\geq$ 90.0% accuracy rate in the timely reporting of legislative bills 2. A $\geq$ 90.0% performance rate in delivering accurate bi-weekly legislative reports 3. A $\geq$ 90% performance rate in delivering timely analysis on mutual legislative priorities Failure to meet performance in 3 out of 3 of the above either criteria will constitute a failure for this metric.

BS-17 (E&C-2) Project Outreach

Allocated Incentive Compensation:	$200,000
Board Policy:	Construction of T&D Projects
Related PIPs:	None

Objective:	Monitor the effectiveness of T&D project outreach to drive continuous improvement in this area.
Definition:	1. By February 1, 2022, modify and finalize survey tool developed in accordance with DPS Management Audit Rec #36 to include the questions to gauge the following: 　- Was the project information easily accessible? 　- Was the information provided timely? 　- Was the information provided clear and easy to understand? 　- Was the utility contact information made available to submit inquiries about this project? 2. By February 1, 2022, develop and submit to LIPA a plan to increase awareness and participation in the survey referenced in #1 3. Starting on March 15, 2022, and by the 15th of each month thereafter, provide to LIPA and DPS details of all survey responses received up until the 1st of the month. 4. By September 30, 2022, develop and share with LIPA and DPS recommendations for outreach improvements deemed appropriate based on feedback from the survey tool. 5. By December 31, 2022, implement recommendations for outreach improvements for the following year as outlined in #4.
Calculation:	Meet all deadlines as defined above in #1, #2, #3, #4, #5
Exclusions:	Schedule relief may be granted for delay(s) directed or requested by LIPA or for situations and/or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control, including preparation and/or response to a major weather event or other emergency event. These dates are subject to change based on the implementation of the updated OSA.
Target:	A 100% performance on delivering within 10 business days of the above referenced deadlines.

BS-18 (E&C-3) Customer Segmentation

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Develop targeted marketing and communications to drive increase in program awareness and participation utilizing customer segmentation research.
Definition:	Customer segmentation is a method of identifying similar groups of consumers based on common patterns and behavioral traits. To improve marketing efforts and utilize industry-best practices, PSEG Long Island will: 1. Utilize independent third-party customer segmentation research analysis for residential customer communications. 2. Develop three (3) marketing campaigns that will target residential customer segments identified from the customer segmentation analysis. A multi-channel campaign will be launched in 2022 to increase participation in the following programs: • Household Assistance Rate • Digital Payments • Pay Station Payments PSEG Long Island will track customer conversion rates among customers to measure marketing effectiveness. 3. Measure Key Performance Indicators (KPIs) to understand if segments are performing well including: • Effectiveness of marketing strategy • Effectiveness of communication channels • Increases in participation 4. Based on program duration, PSEG Long Island will send monthly reporting of effectiveness. 5. Evaluate available software or programs to host segmentation data.
Calculation:	1. Deliver customer segmentation research analysis by January 31, 2022. 2. Develop three (3) campaign strategies, as indicated above, by March 31, 2022 and track customer conversion rates. 3. Launch education, communication, and marketing strategies by June 30, 2022. 4. Present preliminary roadmap to LIPA by September 30, 2022 and final roadmap by year end 2022. 5. Evaluate program participation and KPIs by year end 2022. 6. Complete evaluation of host platform by September 30, 2022.
Exclusions:	Schedule relief may be granted for delays if: Directed or requested by LIPA or Situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control.
Target:	Meet all criteria by deliverable dates per Calculation section.

BS-19 (E&C-4) Reputation Management – Positive Media Sentiment

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Maintain a positive reputation through the media.
Definition:	The Reputation Management metric consists of maintaining a positive reputation through the media. PSEG Long Island will need to achieve positive sentiment on at least 28% of media stories. PSEG Long Island will need to: 1. Achieve positive sentiment on at least 28% of media stories. 2. Track media analysis to capture the above. For purposes of this metric, sentiment will be defined as follows: • Positive: Overall story enhances company perception, raises awareness, or educates customers by mentioning a program or initiative, and/or pulls through messaging or data points from PSEG Long Island. • Neutral: Story is fact-based and neither positive nor negative. • Negative: Overall story detracts from company perception, or negative assertions about the company outweigh positive or neutral statements/information included in the story.
Calculation:	• Positive Story Score: The total calculation of positive scores on stories are calculated through sentiment of each individual news article. The metric will be met if 28% or greater of aggregated news coverage on PSEG Long Island is positive by year's end. • Each item will be evaluated for sentiment manually by PSEG Long Island based on the above definitions and will be included in a coverage tracker that PSEG Long Island will provide to LIPA monthly, with a final report at year's end. LIPA will independently verify all analysis. A sample of Headlines with Sentiment will be provided in the monthly tracker and final report.
Exclusions:	None
Target:	Achieve a positive sentiment of ≥ 28% of media stories.

BS-20 (E&C-5) Reputation Management – Share of Voice

Allocated Incentive Compensation:	$100,000
Board Policy:	Customer Service
Related PIPs:	None

Objective:	Optimize "share of voice" during crisis events.
Definition:	The Reputation Management "Share of Voice" metric consists of achieving a 50% "share of voice" during storm and other crisis events. PSEG Long Island will need to: 1. Tailor communications campaigns and work with media to achieve a 50% "share of voice" during storm and other crisis events. For the purposes of this metric, share of voice will be defined as the amount of media stories mentioning PSEG Long Island that quote someone from the organization or cite data it has provided. 2. Track media analysis to capture the above. For purposes of this metric, a crisis event is defined as a major storm, grid reliability issues, cyber-attack, death or significant injury to a member of the public from a utility incident, or a significant political or social event related to the operation of LIPA's electrical grid. The crisis event designation continues for 30 days following the first date on which the event is reported in the media.
Calculation:	• Share of Voice Score: The total calculation of share of voice are calculated if an expert from PSEG Long Island or provided data is cited in at least half of the news articles during a crisis event. This metric will be met if 50% share of voice is achieved during aggregated crisis events during the year. • Each item will be evaluated for share of voice manually by PSEG Long Island based on the above definitions and will be included in a coverage tracker that PSEG Long Island will provide to LIPA monthly, with a final report at year's end. LIPA will independently verify all analysis. Sample of Headlines with Sentiment.
Exclusions:	None
Target:	Achieve of ≥ 50% share of voice is during aggregated crisis events during the year.

BS-21 (E&C-6) Social Media Engagement and Following

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Service
Related PIPs:	4.09 (Prepare Social Media Staff)

Objective:	Enhance PSEG Long Island's social media engagement (Facebook, Twitter) and implement Artificial Intelligence (AI) to respond faster to customers.

Definition:	• The AI chatbot will provide a near immediate automated response that indicates to the customer that their case is being routed to an analyst for resolution. The AI chatbot will reply to the customer with "For immediate assistance, call 1-800-490-0075 or 631-755-6900. Representatives are available 24/7 for electric emergencies."
	
	• Business Hours are:
	    ○ 7 a.m. – 11 p.m., Monday through Friday.
	    ○ 9 a.m. – 6 p.m., Saturday through Sunday & company holidays.
	
	• All responses must by tailored and accurate to the related issue raised by customer on social media.
	
	• Monthly reporting of case count, first case response time, and case duration will be provided to LIPA via PSEG Long Island's social media monitoring and response platform, Sprinklr.
	
	• PSEG Long Island will use artificial intelligence (AI) keyword logic and prioritization for initial screening and response of personal health and safety cases.

Calculation:	Timely response is calculated as: **On Blue Sky Days:** 1. 90% of cases related to personal health and safety will be responded to by a live agent within two (2) Business Hours. 2. 90% of cases related to any other topic will be responded to by a live agent within four (4) Business Hours. **During Major Storms:** 3. 80% of cases related to personal health and safety will be responded to by a live agent within three (3) Business Hours 4. 80% of cases related to any other topic will be responded to by a live agent within five (5) Business Hours Timely response calculation for cases received outside of Business Hours will begin at the start of the following Business Day shift. For example, a personal health and safety case received at 11:30 p.m. Monday on a Blue Sky Day will need to be responded to by 8:59 a.m. on Tuesday in order to comply with the 2-hour live agent cap. For the purpose of this metric, "Major Storms" are defined as storms that produce at least 150 jobs or 15,400 outages in a 24-hour period.
Exclusions:	Instagram security restrictions do not allow integration into social media monitoring and responsive platforms. Therefore, Instagram will be used primarily as an outbound proactive (versus reactive) communication platform and not included in this metric.
Target:	Achievement is meeting the timeliness % completion by above 4 items in calculation

Power Supply & Clean Energy Programs Scope Function (10%)

Power Supply & Clean Energy Programs Executive Summary/Allocation

Metric #	Sub-Function	Scope Function	Metric Name	Dollar Allocation
PS&CE-1	PS-1	Power Supply/Clean Energy	Integrated Resource Plan (IRP)	$375,000
PS&CE-2	PS-2	Power Supply/Clean Energy	Energy Storage Request for Proposal (RFP)	$375,000
PS&CE-3	CE-1	Power Supply/Clean Energy	Energy Efficiency Plan Savings	$200,000
PS&CE-4	CE-2	Power Supply/Clean Energy	Distributed Energy Resources (DER) Hosting	$150,000
PS&CE-5	CE-3	Power Supply/Clean Energy	Beneficial Electrification – Building Electrification	$200,000
PS&CE-6	CE-4	Power Supply/Clean Energy	Electric Vehicle (EV) Make-Ready	$100,000
PS&CE-7	CE-5	Power Supply/Clean Energy	Distributed Energy Resources (DER) Interconnection Process	$200,000
PS&CE-8	CE-6	Power Supply/Clean Energy	Time of Use (TOU) Pricing Options - Space Heating and Large Commercial	$200,000
PS&CE-9	CE-7	Power Supply/Clean Energy	TOU Pricing Pilot – Year 1 Marketing	$200,000

Business Services Scope Function Total	$2,000,000

PS&CE-1 (PS-1) Long Range Planning Studies – Integrated Resource Plan (IRP)

Allocated Incentive Compensation:	$375,000
Board Policy:	Resource Planning and Clean Energy
Related PIPs:	None

Objective:	Complete identified or agreed to major planning studies on schedule.
Definition:	Integrated Resource Plan (IRP) deliverables will be completed in accordance with the agreed upon scope of work, as approved by the LIPA BoT on September 22, 2021, (premised on 12 combinations of scenarios and sensitivities to be agreed to by PSEG LI and LIPA), assuming any additional public input does not require additional time and budget impact. The major deliverables are as follows: 1. Define scenarios on or about October 31, 2021 (Completed in 2021). 2. Base assumptions on or about January 15, 2022. 3. Complete preliminary draft results on or about August 31, 2022, to include: ranking of scenarios, outcome of results and action plan for existing and future resources through 2030. 4. Completion of an initial draft of the final report on or about October 31, 2022. 5. Completion of the final draft on or about (i.e., no more than 10 days beyond) November 30, 2022. LIPA comments to be provided to PSEG LI within a two week time frame upon the completion of steps 1, 2, 3 and 4 above. Each result of modeling case will be reviewed with LIPA as they are completed. Comments on the results for each case to be provided within two weeks of the receipt of each case and relevant supporting documents. If revisions required to address LIPA comments will take longer than 2 weeks to complete, PSEG LI will notify LIPA and begin the discussion of potential schedule relief. LIPA assessment of metric completion to be based on compliance with the IRP SoW and applicable LIPA Board policies.
Calculation:	1.0 – by specified deadline for #5, 0.5 – if received by December 31, 2022.
Exclusions:	Schedule relief may be granted for delays or changes (directed or requested by LIPA or situations or business conditions that are truly out of the Service Provider's control). If any exclusions drive the final draft due date beyond the end of the year, the calculation will be determined on the activity agreed to for delivery by the original due date. If LIPA's comments, once received, cause PSEG LI to adjust the schedule, schedule relief will be granted, provided such comments were not due to errors by PSEG LI. Should PSEG LI seek budget relief as a result of a LIPA request, the parties will consider whether schedule relief is appropriate or whether the completion of the above deliverables should exclude the additional work.
Target:	Fully satisfy all requirements in the Definition section, per the agreed upon dates.

PS&CE-2 (PS-2) Long Range Planning Studies – Energy Storage Request for Proposal (RFP)

Allocated Incentive Compensation:	$375,000
Board Policy:	Resource Planning and Clean Energy
Related PIPs:	None

Objective:	Complete identified or agreed to major planning studies on schedule.
Definition:	Complete evaluation of proposals to the Energy Storage RFP and recommend selections; Phase 1 – October 31, 2021 (completed), Phase 2 – on or about March 31, 2022, Phase 3 – no more than 10 days beyond August 31, 2022 target delivery date for the final evaluation and selection recommendations.
	These dates are contingent on the outcome of the Schedule F arbitration completed by November 12, 2021. If delay in the arbitration outcome results in lost time, new completion dates will be agreed upon by LIPA and PSEG LI.
	All selections and rejections must be justified based on cost and/or quality considerations, as set forth in the evaluation guide and the RFP. Reporting to LIPA will be in accordance with the evaluation guide.
	For Phases 1 & 2, LIPA comments to be provided to PSEG LI within a two-week time frame upon completion of each phase, such comments to be based on compliance with the Evaluation Guide and the RFP. Any revisions required to address LIPA comments will be completed within 3 weeks of receipt of comments. If revisions required to address LIPA comments will take longer than 3 weeks to complete, PSEG LI will notify LIPA and begin the discussion of potential schedule relief.
	Each result of individual project and portfolio evaluation in Phase 3 will be reviewed with LIPA as they are completed. Comments on the results in each case to be provided within one week of the receipt of the information and relevant supporting documents. If comments are not received within one week, refer to exclusions.
	LIPA assessment of metric completion to be based on compliance with the evaluation guide and the RFP as of the specified deadline. Any additional work thereafter will not affect the assessment of completion.
Calculation:	Phases 1 and 2 completed and Phase 3 results to be provided to LIPA, as described above. On time delivery of Phase 3 results by final deadline, 100%, Up to 1 month late – 70%, beyond 1 month – 0%.
Exclusions:	Schedule relief may be granted for delays or changes (directed or requested by LIPA or situations or business conditions that are truly out of the Service Provider's control).
	If any exclusions drive the final draft due date beyond the end of the year, the calculation will be determined on the activity agreed to for delivery by the original due date. If LIPA's comments, once received, cause PSEG LI to adjust the schedule, schedule relief will be granted, provided such comments were not due to errors by PSEG LI.
Target:	Fully satisfy all requirements in the Definition section.

PS&CE-3 (CE-1) Energy Efficiency Plan Savings

Allocated Incentive Compensation:	$200,000
Board Policy:	Resource Planning and Clean Energy
Related PIPs:	None

Objective:	Achieve the Energy Efficiency Plan Targeted Savings
Definition:	Achieve at least 1,147,670 MMBtus of independently verified savings from the programs identified in the 2022 EEDR Plan (Table ES-4) by the end of Q4 2022. Programs will not be arbitrarily shut down once the goal is achieved.
Calculation:	MMBtu savings achieved from 2022 EE Plan activities will be independently measured and verified. Independent measurement methodology and verification are subject to LIPA approval, not to be unreasonably withheld.
Exclusions:	Calculation and methodological changes subsequently identified and reported by the independent verifying party will not be applied retroactively against 2022 performance. The verified ex-ante savings will be provided to LIPA on or about February 1, 2023, and will be used to determine if the goal was achieved.
Target:	To earn the Allocated Incentive Compensation: • Independently verified savings from 2022 EE Plan activities must meet or exceed the 1,147,670 MMBtu target.

PS&CE-4 (CE-2) Utility 2.0 – Distributed Energy Resources (DER) Hosting

Allocated Incentive Compensation:	$150,000
Board Policy:	Resource Planning and Clean Energy
Related PIPs:	None

Objective:	Complete hosting capacity study proposed in Utility 2.0 filing.
Definition:	Complete the following implementation goals by December 31, 2022: Complete a hosting capacity study of selected distribution circuits, estimated to be between (30-50) circuits based on 80% penetration ratio. (As selected by PSEG LI and agreed upon by LIPA and DPS, final number to be determined prior to February 28, 2022 at which time LIPA and DPS will complete their review), as proposed in 2021 Utility 2.0 filing, including evaluation and prioritization of all LIPA Phase 2 Accelerated Renewable Energy Growth and Community Benefit Act (AREGCBA) proposals with respect to their use as solutions to the constraints, as applicable.
Calculation:	100% compensation for all completed studies, and linier sliding proration scale to be used for anything less than the agreed upon number of circuits, provided that at least 30 circuits are completed. The following goal must be completed to pass this metric: For the hosting capacity study goal, a proposed list of circuits to be studied shall be shared with LIPA for consideration and will include a description of the approach used to identify the circuits. LIPA will provide comments on the methodology within one week of receiving it. PSEG LI will study and evaluate solutions for each of the circuits identified in the final list. Evaluated solutions may include the LIPA Phase 2 AREGCBA proposals as applicable. Upon completion of the study, PSEG LI will recommend a solution for each of the identified circuits.
Exclusions:	Contingent on favorable DPS recommendation and subsequent LIPA board approval for the Hosting Capacity Study proposed in the 2021 U2.0 plan, for 2022. Unknown issues that arise agreed upon between LIPA and PSEG LI.
Target:	To earn the Allocated Incentive Compensation: • The goal must be completed as defined above.

PS&CE-5 (CE-3) Beneficial Electrification – Building Electrification

Allocated Incentive Compensation:	$200,000
Board Policy:	Resource Planning and Clean Energy
Related PIPs:	None

Objective:	Achieve Beneficial Electrification Targets from Utility 2.0
Definition:	Achieve the following implementation targets by December 31, 2022: 1. Pay rebates for 6,000 new heat pumps in incentive programs. 2. Enroll 20 homes in the all-electric homes rebate program. 3. Achieve at least 5,953 MMBTU of energy savings from the low income REAP program. 4. Enroll 10 buildings in the multi-family rebate program. Enroll = committed funds or pre-approval letter, after January 1, 2022. Multi-family = more than 4 dwelling units per building.
Calculation:	Each target is worth $50,000 and is measured on a pass/fail basis. A pass is earned by full completion of that target.
Exclusions:	None
Target:	To earn the Allocated Incentive Compensation: • The four (4) sub-metrics listed above are compensated at $50,000 each if that target is achieved.

PS&CE-6 (CE-4) Electric Vehicle (EV) Make-Ready

Allocated Incentive Compensation:	$100,000
Board Policy:	Resource Planning and Clean Energy
Related PIPs:	None

Objective:	Achieve EV Make-Ready Targets outlined below
Definition:	Achieve the following implementation targets by December 31, 2022: 1. Enroll 75 DCFC ports in make-ready infrastructure incentives 2. Energize 50 DCFC Ports 3. Enroll 637 Level 2 ports in make-ready infrastructure incentives 4. Energize 450 Level 2 Ports. Enroll = committed funds or pre-approval letter, after January 1, 2022 Energize = Total population of DCFC and Level 2 ports that have meter set an put into service in 2022
Calculation:	Each target is worth $25,000 and is measured on a pass/fail basis. A pass is earned by full completion of that target.
Exclusions:	None
Target:	To earn the Allocated Incentive Compensation: • The four (4) sub-metrics listed above would be compensated at $25,000 each if that target is achieved.

PS&CE-7 (CE-5) Distributed Energy Resources (DER) Interconnection Process

Allocated Incentive Compensation:	$200,000
Board Policy:	Resource Planning and Clean Energy
Related PIPs:	SG-01

Objective:	Improve DER Interconnection Process and implement by December 31, 2022.
Definition:	Implement the following interconnection improvements by December 31, 2022, or as otherwise specified below:
	1. PSEG Long Island should ensure an independent review of escalated interconnection cases by changing the organizational placement of the Interconnection Ombudsperson to be outside of the group that administers the SGIP, and for this activity will report directly to the VP – Power Markets. PSEG Long Island to develop a process for escalated interconnection cases, consistent with other NYS utility practices and in agreement with LIPA, and provide to LIPA by February 28, 2022. Once agreed upon, will be included in the SGIP.
	2. Make developer community aware of all payment options including check, on-line check payment, and electronic wire transfer, by updating the SGIP website and FAQs regarding the payment options. This will be completed by March 31, 2022.
	3. PSEG Long Island will investigate an option to make interconnection payments by credit-card via telephone or other non-complex manner, and provide a cost estimate to LIPA by June 1, 2022. If acceptable to LIPA, PSEG Long Island will implement and update the SGIP website and FAQs with the new credit card option, by August 15, 2022. (The additional funding indicated below does not include costs for initiating a credit card program, which remain unknown at this time. If required funding and staffing are not available, this metric will be modified and/or removed, and the allocated incentive dollars will be adjusted and/or distributed across other metrics as described in the "Calculation" section below.).
	4. Develop, in collaboration with LIPA and issue a survey to determine effectiveness and efficiency of the interconnection process and containing questions designed to identify customer satisfaction or dissatisfaction with the process and potential improvements. PSEG LI will schedule and conduct two meeting sessions with LIPA prior to completing the survey. By no later than July 1, 2022, the survey will be available and notification made to any developer who has achieved COD between January 1, 2022 and July 1, 2022. Developers achieving COD after July 1, 2022 will be given access to the survey following receipt of COD. Results will be reported to LIPA on a monthly rolling basis beginning on August 31, 2022, for the prior month. By July 1, 2022, PSEG LI will develop, with LIPA's input, with 2 meeting sessions as scheduled by PSEG LI, a plan to encourage participation in the survey, in agreement with LIPA, which will use reasonable efforts to educate developers on the value of the survey.
	5. Establish and obtain LIPA Board approval for an interconnection cost sharing process consistent with the statewide Public Service Commission process.
Calculation:	Compensation based on completion of each section.
	1. Development of Ombudsperson process. Threshold requirement to earn the compensation below.

<table>
<tr>
<td></td>
<td>2. & 3. Advertise on the SGIP site and under the FAQ's. Provide credit-card option as defined above. This item is worth $50,000 of the incentive comp. (If #3 is not approved by LIPA, then all compensation for this item falls on #2).

4. Survey as stated above. This item is worth $50,000 of the incentive comp.

5. The interconnection cost sharing process must be incorporated into LIPA's tariff by December 31, 2022. This item is worth $100,000 of the incentive compensation.</td>
</tr>
<tr>
<td>**Exclusions:**</td>
<td>Schedule relief may be granted for any item in which delays or changes are as a result of LIPA requests or outside of PSEG LI's control. Further, schedule relief may be granted for item #5 for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are truly out of the Service Provider's control. Depending on DPS issuing final order by May 1, 2022.</td>
</tr>
<tr>
<td>**Target:**</td>
<td>As stated in calculation.</td>
</tr>
</table>

PS&CE-8 (CE-6) Time of Use (TOU) Pricing Options - Space Heating and Large Commercial

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Complete development of TOU Pricing Options for space heating and large commercial customers
Definition:	Design new optional time-of-use rates for residential space heating and large commercial customers and deliver IT requirements by March 31, 2022, which shall have been previously reviewed and approved by LIPA and DPS staff. PSEG LI staff will obtain and incorporate feedback from LIPA and DPS staff on the potential rate designs under consideration prior to selecting the new rate designs to be included in the draft proposal.

The draft rate designs and draft tariff leaves will be provided to LIPA staff by January 31, 2022. Revised rate designs and tariff leaves reflecting LIPA's comments will be provided to LIPA staff and DPS staff by February 28, 2022.

The final Tariff proposal will be provided to LIPA and DPS staff by March 31, 2022 so that the SAPA filing can be issued by April 6, 2022.

The proposal will receive a recommendation from the Department of Public Service for adoption of the proposed rates and receive approval from the LIPA Board to modify the Tariff by the July LIPA Board meeting (on or about July 13th).

PSEG LI will complete all of the billing changes, enrollment processes, accounting processes, and customer service requirements to enable enrollment and billing of the new rates on or before January 1, 2023. |
| **Calculation:** | This metric will be evaluated on a pass/fail basis. To receive a passing grade, all the following requirements must be met:
1. Prior to publication, the residential space heating and large customer TOU rate design proposals must be reviewed with LIPA and DPS staff, incorporate their feedback, and receive the approval of LIPA staff, which shall not be unreasonably withheld.
2. The draft rate designs and draft tariff leaves will be provided to LIPA staff by January 31, 2022. A grace period of up to one week will be allowed, provided the schedule changes do not affect the completion of all requirements by December 31, 2022.
3. Revised rate designs and tariff leaves reflecting LIPA's comments will be provided to LIPA staff and DPS staff by February 28, 2022. A grace period of up to one week will be allowed, provided the schedule changes do not affect the completion of all requirements by December 31, 2022.
4. The IT requirements to operationalize customer enrollment and billing of the rate designs must be delivered to IT by March 31, 2022.
5. The tariff proposals must be published by April 6, 2022. Publication means a Notice has been filed by LIPA in the State Register by April 6, 2022 (for subsequent publication according to the State schedule) and the Memo to the Board with proposed black-line tariff leaves has been posted on both the LIPA and PSEG Long Island websites within two weeks after April 6.
6. By December 31, 2022, PSEG Long Island must develop and implement the required billing changes, enrollment processes, accounting processes, and customer service requirements to enable enrollment and billing of residential space heating and large commercial customers on the new TOU rates. |

Exclusions:	1. On or before March 31, 2022: If LIPA, for reasons unrelated to PSEG LI's performance of the above requirements, decides to cancel the project, the incentive compensation allocated to this metric will be re-allocated pro-rata to the other metrics in the Power Supply and Clean Energy Scope. 2. After March 31, 2022 and before August 1, 2022: If, for reasons unrelated to PSEG LI's performance of the above requirements, LIPA decides to cancel the project, the DPS declines to provide a written recommendation to the Board, or the Board declines to adopt the Tariff proposal, then 25% of the incentive compensation allocated to this metric will be awarded in full, and the remaining 75% of the incentive compensation will be re-allocated pro-rata to the other metrics in the Power Supply and Clean Energy Scope. 3. As of August 1, 2022, if the project has received Board approval, it will not be subject to cancellation for the remainder of the metric evaluation period. 4. Notwithstanding the above contingencies, the parties may agree to different interim deadlines, provided the schedule changes do not affect the completion of all requirements by December 31, 2022.
Target:	A passing score is required to earn the Allocated Incentive Compensation.

PS&CE-9 (CE-7) TOU Pricing Pilot – Year 1 Marketing

Allocated Incentive Compensation:	$200,000
Board Policy:	Customer Value and Affordability
Related PIPs:	None

Objective:	Engage and enroll a significant number of customers in the new TOU pilot optional pricing plans.
Definition:	Execute proactive outbound direct marketing and engagement campaign to attract customers for new optional time-of-use rates for residential and small commercial customers. Attracting a significant number of customers will enable the analysis of energy and demand savings as well as refine engagement channels, frequency, and target segments to realize benefits to customers, the community, and the utility.
Calculation	This metric will measure the number of customers enrolled in the five new TOU rates (190, 191, 192, 193, and 292) as of December 31, 2022. The following enrollments are required to earn the allocated incentive compensation: 1. At least 8,000 customers enrolled = $100k 2. At least 10,000 customers enrolled = $150k 3. At least 12,000 customers enrolled = $200k
Exclusions:	None
Target:	Meet targets as stated in Calculation section.