

FOR CONSIDERATION

February 17, 2022

TO: The Board of Trustees

FROM: Thomas Falcone

REQUEST: Approval of Amendments to the Oversight and Clean Energy Committee Charter

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is being requested to adopt a Resolution approving certain amendments to the Oversight and Clean Energy Committee (the “Committee”) Charter.

Discussion

On November 9, 2021, LIPA announced a revised four-year management services contract with PSEG Long Island, which included the reforms designed to drive performance and accountability, while providing an unprecedented level of oversight of PSEG Long Island's operations. The Second Amended and Restated Operations Services Agreement (“Second A&R OSA”) delivers concrete contract improvements on all the Board’s stated objectives for a reformed contract with PSEG Long Island. The Board approved the Second A&R OSA at its meeting in December 2021.

In reviewing the roles and responsibilities of the Oversight and Clean Energy Committee, LIPA Staff is proposing to amend the Committee’s responsibilities consistent with certain of the oversight requirements in the Second A&R OSA. The amended Committee Charter is attached hereto as **Exhibit “B.”**

Recommendation

Based upon the foregoing, it is recommended that the Trustees adopt the resolution in the form attached hereto as **Exhibit “A”**.

Attachments

- Exhibit “A”** Resolution
- Exhibit “B”** Oversight and Clean Energy Committee Charter (redline)
- Exhibit “C”** Oversight and Clean Energy Committee Charter (clean)

Exhibit "A"

**RESOLUTION APPROVING AMENDMENTS TO THE OVERSIGHT AND CLEAN
ENERGY COMMITTEE CHARTER**

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the amendments to the Oversight and Clean Energy Committee Charter, in the form attached hereto, are hereby approved.

Dated: February 17, 2022

OVERSIGHT AND CLEAN ENERGY COMMITTEE CHARTER

Long Island Power Authority

~~May 20, 2020~~ February 17,

2022

PURPOSE:

The Long Island Power Authority (“LIPA”) has oversight responsibility for the services provided by PSEG Long Island under the Second Amended and Restated Operations Services Agreement (“Second Amended A&R OSA”), with the goal of ensuring that customers in the Service Territory receive safe, reliable, efficient, clean, responsive, and affordable utility service.

The Board’s oversight responsibilities include the implementation of New York State’s clean energy initiatives, laws, and directives, including the Climate Leadership and Community Protection Act (“CLCPA”) and the Accelerated Renewable Energy Growth and Community Benefit Act (the “Siting Act”).

To carry out these responsibilities the Board of Trustees has established the Oversight and Clean Energy Committee (the “Committee”) and assigned to it the responsibilities set forth below.

MEMBERSHIP:

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair (“Committee Chair”). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio voting member of the Committee. Each Committee member shall meet the independence requirements set forth in the Public Authorities Accountability Act of 2005¹.

MEETINGS:

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the Committee members then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee.

Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and conduct of executive session and minutes will be taken and maintained.

¹ An “independent” member is defined in the Act as one who: 1. is not, and in the past two years has not been a) employed by the public authority or an affiliate in an executive capacity; b) employed by an entity that has received remuneration valued at more than fifteen thousand dollars for goods and services provided to the public authority or received any other form of financial assistance valued at more than fifteen thousand dollars from the public authority; c) a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or an affiliate; and 2. is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate.

The Committee may request any officer or employee of LIPA, PSEG Long Island or ~~the~~ LIPA's outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

RESPONSIBILITIES:

The Committee shall:

- Monitor PSEG Long Island's performance under the ~~Amended Second A&R~~ OSA related to: performance metrics, including scope function specific metrics, gating metrics, and default metrics; compliance with Board recommendations; emergency management planning and response; transmission and distribution operations; energy efficiency and clean energy ~~goals;~~ capital and operating budget expenditures; information technology, cybersecurity, IT and IT sSystem sSeparation; physical security; safety; communications ~~with stakeholders;~~ customer service, billing and collections; power supply and fuel supply management (as carried out by PSEG Energy Resources & Trade); power markets activities; back-end transition, senior management staffing; and other matters related to PSEG Long Island's services and scope of servicesfunctions;
- Monitor PSEG Long Island's performance related to senior management staffing, including the fulfillment of senior management positions as required under the Second A&R OSA; ~~Amended OSA~~
- Monitor PSEG Long Island's compliance with "Contract Standards" and the Duty of Candor as defined in the Second A&R OSA ~~Amended OSA~~, including compliance with applicable law and New York Public Service Commission practices; PSEG Long Island's environmental stewardship goals, and its compliance with policies adopted by LIPA and the State;
- Review LIPA ~~management~~'s oversight process of the services provided by PSEG Long Island and PSEG Energy Resources & Trade;
- Oversee capital projects and related expenditures.
- Monitor LIPA and PSEG Long Island's implementation of recommendations included in Management and Operations Audits conducted by the Department of Public Service;
- Review recommendations made by the Department of Public Service with respect to LIPA and PSEG Long Island's performance and proposed programs, expenditures, and tariff changes²;
- Monitor the policies, principles and recommendations being advanced pursuant to the CLCPA, Siting Act, and other State clean energy policies, initiatives, laws and directives, and LIPA's and PSEG Long Island's implementation of programs and initiatives to achieve such goals;
- Review proposed energy contracts or power supply or transmission transactions and recommend appropriate action by the Board of Trustees, as needed;
- Report annually to the Board of Trustees on how it has met its responsibilities as outlined in this Charter; and
- Report and make recommendations to the Board of Trustees from time to time on the results of its reviews and monitoring of the foregoing and carry out such other responsibilities consistent with its purpose as may be assigned from time to time by the Chair of the Board of Trustees or by the Board of Trustees.

² The Oversight and Clean Energy Committee will coordinate with or defer to the Finance and Audit Committee on recommendations from the Department of Public Service that also have significant financial implications.

OVERSIGHT AND CLEAN ENERGY COMMITTEE CHARTER

Long Island Power Authority

February 17, 2022

PURPOSE:

The Long Island Power Authority (“LIPA”) has oversight responsibility for the services provided by PSEG Long Island under the Second Amended and Restated Operations Services Agreement (“Second A&R OSA”), with the goal of ensuring that customers in the Service Territory receive safe, reliable, efficient, clean, responsive, and affordable utility service.

The Board’s oversight responsibilities include the implementation of New York State’s clean energy initiatives, laws, and directives, including the Climate Leadership and Community Protection Act (“CLCPA”) and the Accelerated Renewable Energy Growth and Community Benefit Act (the “Siting Act”).

To carry out these responsibilities the Board of Trustees has established the Oversight and Clean Energy Committee (the “Committee”) and assigned to it the responsibilities set forth below.

MEMBERSHIP:

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair (“Committee Chair”). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio voting member of the Committee. Each Committee member shall meet the independence requirements set forth in the Public Authorities Accountability Act of 2005¹.

MEETINGS:

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the Committee members then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee.

Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and conduct of executive session and minutes will be taken and maintained.

The Committee may request any officer or employee of LIPA, PSEG Long Island or LIPA’s

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outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

RESPONSIBILITIES:

The Committee shall:

- Monitor PSEG Long Island's performance under the Second A&R OSA related to: performance metrics, including scope function specific metrics, gating metrics, and default metrics; compliance with Board recommendations; emergency management planning and response; transmission and distribution operations; energy efficiency and clean energy;; information technology, cybersecurity, and IT system separation; physical security; safety; communications; customer service, billing and collections; power supply and fuel supply management (as carried out by PSEG Energy Resources & Trade); power markets activities; back-end transition, and other matters related to PSEG Long Island's services and scope functions;
- Monitor PSEG Long Island's performance related to senior management staffing, including the fulfillment of senior management positions as required under the Second A&R OSA;
- Monitor PSEG Long Island's compliance with "Contract Standards" and the Duty of Candor as defined in the Second A&R OSA, including compliance with applicable law and New York Public Service Commission practices; PSEG Long Island's environmental stewardship goals, and its compliance with policies adopted by LIPA and the State;
- Review LIPA's oversight process of the services provided by PSEG Long Island and PSEG Energy Resources & Trade;
- Oversee capital projects and related expenditures.
- Monitor LIPA and PSEG Long Island's implementation of recommendations included in Management and Operations Audits conducted by the Department of Public Service;
- Review recommendations made by the Department of Public Service with respect to LIPA and PSEG Long Island's performance and proposed programs, expenditures, and tariff changes²;
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- Review proposed energy contracts or power supply or transmission transactions and recommend appropriate action by the Board of Trustees, as needed;
- Report annually to the Board of Trustees on how it has met its responsibilities as outlined in this Charter; and
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² The Oversight and Clean Energy Committee will coordinate with or defer to the Finance and Audit Committee on recommendations from the Department of Public Service that also have significant financial implications.