

**LIPA COMMUNITY ADVISORY BOARD  
MEETING AGENDA  
Tuesday, March 21, 2022  
8:00 A.M.**

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- I. South Fork Wind – Jen Garvey (*20 Minutes*)
- II. LIPA’s Priorities for 2022: Clean, Reliable, Customer-First Electric Service (*40 Minutes*)
- III. Isaias Taskforce Update
- IV. LIPA’s Property Tax Update (*15 minutes*)
- V. Round Table Discussion (*30 minutes*)
  - Are there issues of interest you want to discuss with LIPA Leadership?

**Next Meeting Date: Friday, June 17, 2022**



# COMMUNITY ADVISORY BOARD MEETING

March 21, 2022

# AGENDA

- 01** South Fork Wind Update – Jen Garvey, Ørsted
- 02** LIPA's Priorities for 2022: Clean, Reliable, Customer-First
- 03** Isaias Taskforce Update
- 04** LIPA's Property Tax Update
- 05** Round Table Discussion



# South Fork Wind Update

Jen Garvey, Ørsted

# South Fork Wind

- A Joint Venture of Ørsted and Eversource
- Project Update 3.21.22

**South Fork  
Wind**

Powered by  
Ørsted &  
Eversource





## February Groundbreaking Event

# Construction Underway



# Process

- **Federal process:** Turbine spacing, requirements on construction methodology, mitigation measures to protect marine habitats and species
- **State process:** 11 months of settlement negotiations, 195 conditions, evidentiary hearings
- **Local process:** \$29M Host Community Agreement

## Federal

NEPA Review,  
led by BOEM

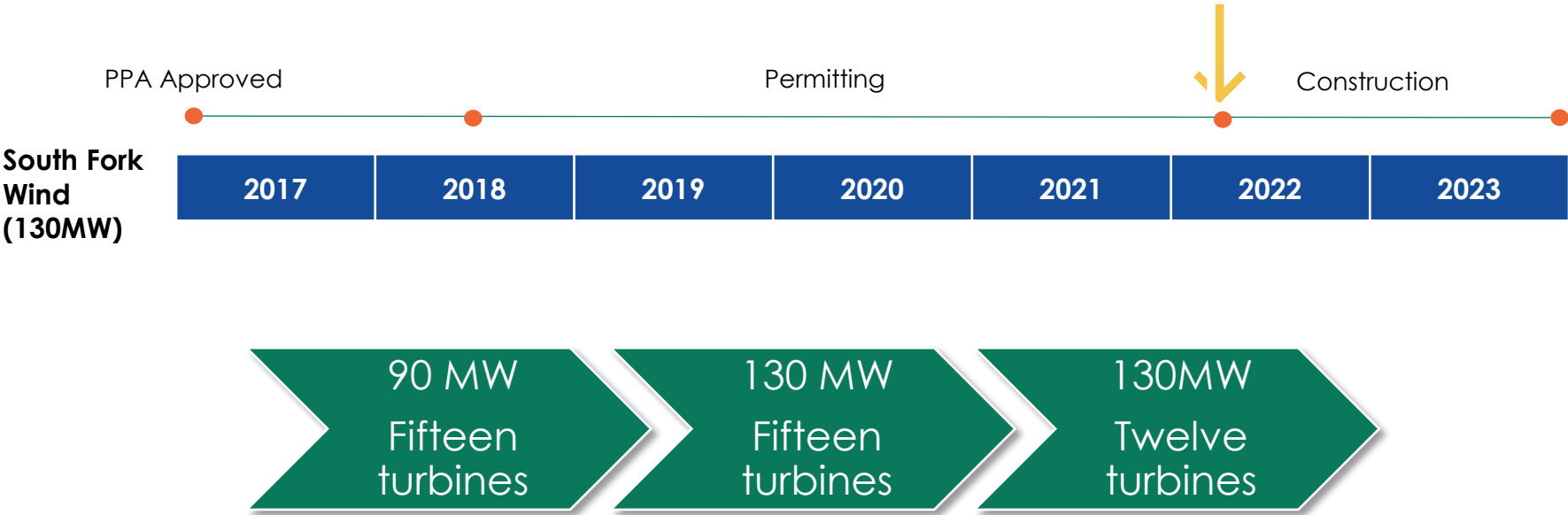
## State

Article VII, led  
by PSC

## Local

Real Estate  
Agreements,  
East Hampton  
Town and  
Trustee Boards

# Timeline



# Support



# THANK YOU

Thanks to the leadership of Governor Cuomo and the hard work of New York State agencies, the joint proposal for South Fork Wind is moving forward—a milestone moment for the clean energy movement in New York.

South Fork Wind will bring renewable, reliable, and resilient energy to power over 70,000 homes and businesses on the South Fork.

With the ability to spur economic development, create good-paying local jobs, clean our air, and reduce our reliance on fossil fuels, the project is a multifaceted win for East Hampton and the surrounding community.

The recent progress on South Fork Wind is an important step toward advancing future projects that will power over a million homes as part of the most comprehensive offshore wind program in the country.

As community leaders, environmental advocates, labor unions, and your neighbors, we commend this progress by New York State and look forward to building a resilient future together.



# THANK YOU FROM ALL OF US

As community members, environmental advocates and labor unions, we commend the East Hampton Town Board and East Hampton Town Trustees for their support of South Fork Wind, a pioneering project for New York and the nation that will move us one step closer to realizing the environmental and economic benefits of Governor Cuomo's ambitious clean energy vision.

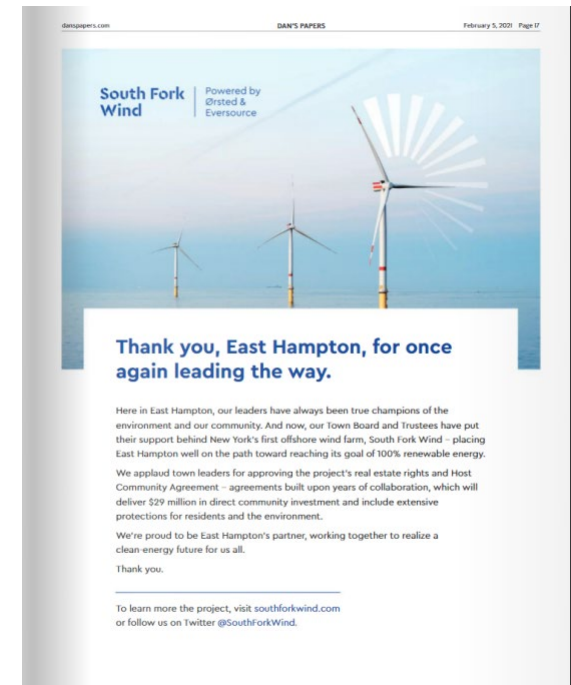


# Momentum Campaigns



**South Fork Wind** @SouthForkWind · Feb 2

Being first is never easy, but the Town Board & Trustees have risen to the challenge, leading New York as the host community for the state's 1st offshore wind farm. #SouthForkWind is proud to be East Hampton's partner & thankful for their leadership. More: [southforkwind.com](http://southforkwind.com)



# Onshore Construction Outreach



## Onshore Construction

The onshore construction phase of South Fork Wind, New York's first offshore wind farm, is anticipated to begin in January 2022 and scheduled to be complete by July 2023. This includes setting the export cable deep under the beach using horizontal directional drilling (HDD), installing the export cable in an underground duct bank in town-owned roads and the railroad corridor, construction of the interconnection facilities (or substation), and road restoration. The project will become operational by the end of 2023.

The schedule and map included describe the work that will occur, along with where and when for each phase of the project's onshore construction.

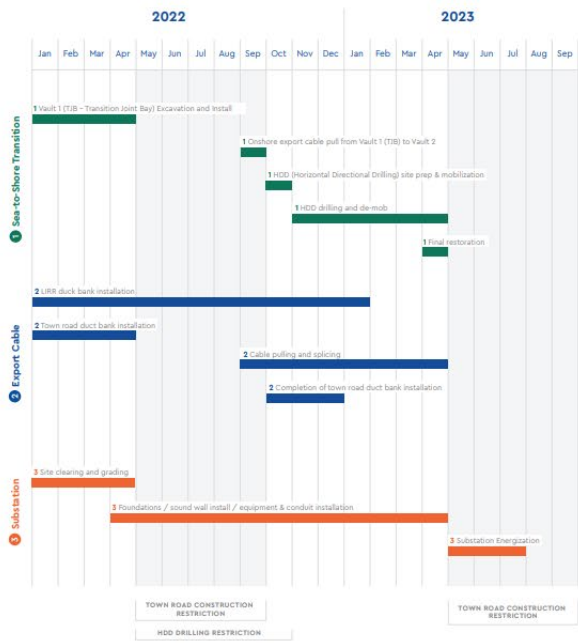
Our team will host a live virtual open house on Monday, November 15th at 6:00 p.m. to provide additional details on the upcoming onshore construction phase and to answer questions from the community. The virtual view room, including recordings of live presentations, FAQ and fact sheets will remain available throughout construction. Please visit [www.southforkwindvirtual.com](http://www.southforkwindvirtual.com) to register for the open house or view the materials at a later date.

For questions, please contact us at:  
Email: [info@southforkwind.com](mailto:info@southforkwind.com)  
Phone: 631-887-5470  
Website: [southforkwind.com](http://southforkwind.com)



Use your phone's camera to scan the QR code to sign-up for updates.

## Wainscott Construction Schedule



These materials were prepared in October 2021. Any changes will be reflected on the project website.

**South Fork  
Wind**

Powered by  
Ørsted &  
Eversource

**Stay updated on  
New York's historic first  
offshore wind farm.**

→ Sign up today to receive updates.



**South Fork  
Wind**

Powered by  
Ørsted &  
Eversource

# Questions?

[www.southforkwind.com](http://www.southforkwind.com)

Jennifer Garvey  
NY Market Affairs, Orsted  
[jegar@orsted.com](mailto:jegar@orsted.com)



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# LIPA's Priorities for 2022: Clean, Reliable, Customer-First

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# LIPA BOARD SETS STRATEGIC DIRECTION

## PURPOSE

Serve our customers and community by providing **clean, reliable, and affordable** energy to Long Island and the Rockaways.

LIPA is a value-driven organization that puts our **customers first** in all our actions.

## VISION

To be our customers' **trusted energy partner**. LIPA will:

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



Mark Fischl



Elkan Abramowitz



Drew Biondo



Shelly Cohen



Reverend  
Alfred L. Cockfield



Nancy S. Goroff



Valerie  
Anderson Campbell



Laureen Harris



Ali Mohammed

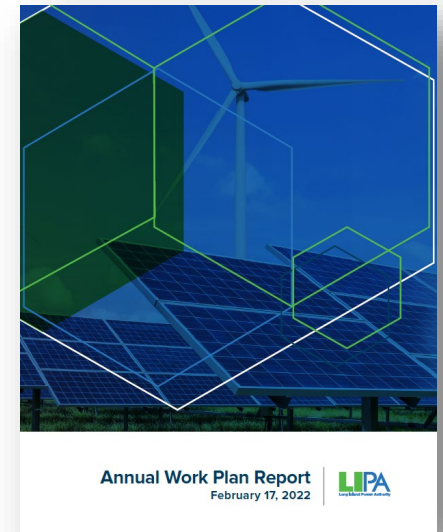
# 2021 HIGHLIGHTS

- LIPA **renegotiated its contract with PSEG Long Island** to strengthen management incentives, accountability, and oversight
- The LIPA Board adopted **164 Recommendations** to improve management, emergency management, information technology, and other areas. LIPA reported quarterly on the progress of each Recommendation
- LIPA established **96 PSEG Long Island Performance Metrics for 2022** that tie the 2022 Budget to tangible benefits for customers
- The LIPA Board completed strategic reviews of its Board Policy objectives related to **customer experience, transmission and distribution operations, and information technology**
- The Board approved an agreement with the New York State Solar Energy Industries Association to develop a **modern, “standard” residential Time of Day (TOD) rate** for electric customers, which will be adopted over the next three years. The Board also approved a Customer Benefit Contribution charge on rooftop solar and other distributed generation to **ensure that all customers pay fairly into programs that help all customers**
- LIPA submitted a grant application to FEMA **seeking \$300+ million to further storm hardening programs**

# LIPA'S 2022 PRIORITIES

- The LIPA Board's [Policies](#) define the **strategic objectives** of all major aspects of delivering clean, reliable, and customer-first electric service to customers
- LIPA's Work Plan defines the specific projects that will advance the Board's policy objectives. LIPA's 2022 Work Plan has **93 projects**
- **50 projects** involve independently verifying and validating (IV&V) the achievement of PSEG Long Island's [Performance Metrics](#) for 2022
- **13 projects** oversee various aspects of services PSEG Long Island provides to LIPA and its customers
- **30 projects** are related to LIPA's operations and objectives

2022 Work Plan Projects By Function	
Transmission and Distribution	20
Information Technology	14
Finance	14
Customer Experience	9
Legal and Procurement	9
External Affairs and Communications	9
Business Performance Excellence	6
Grants	5
Power Supply	4
Human Resources	3
<b>TOTAL</b>	<b>93</b>



[LIPA's Work Plan for 2022](#)

# RELIABLE & RESILIENT ENERGY

## BOARD OBJECTIVE: INDUSTRY-LEADING RELIABILITY

- **Top 10% reliability** among peer utilities, as measured by industry benchmarks
- Prioritize customers with **four or more outages** in a year
- Use **modern system design and technology** to minimize outages, prioritize preventative maintenance, and facilitate the interconnection of **distributed and renewable energy** to the grid
- Achieve a maturity level of 3 or greater on **international asset management standards** to enhance reliability and reduce customer cost



## 2022 SELECTED PRIORITIES


- Independently validate the remediation of **Tropical Storm Isaias recommendations**
- **Expand vegetation management programs by 50%** to reduce tree-related outages
- Develop roadmap to achieve international standard certification in **asset management**
- Develop detailed implementation plans for a new **enterprise asset management system** and **primary grid control center**

# RELIABLE & RESILIENT ENERGY

## BOARD OBJECTIVE: INDUSTRY-LEADING RESILIENCY & ACCURATE EMERGENCY COMMUNICATIONS

- Mitigate the effects of climate change through multi-year investments in **system resilience** to **reduce outages and restoration times from severe weather**
- Assure **timely and accurate communication** to customers about outages and restoration
- Independently verify and validate PSEG Long Island **emergency restoration planning**
- **Safeguard people and facilities** that support operations from unauthorized access or disruption through third-party vulnerability assessments

## 2022 SELECTED PRIORITIES

- 
- Obtain **\$300+ million of federal storm hardening grants**
  - Complete pilots for and plan the **next multi-year phase of resiliency investment**
  - Independently validate PSEG Long Island's **emergency response plans, tests, and drills**
  - Complete a **climate study** to identify the impacts of climate change on design and the electric grid
  - Conduct a detailed third-party review of PSEG Long Island's **physical security** and establish a roadmap for enhancements
  - Improve the accuracy of blue-sky **estimated times of restoration**

# CUSTOMER EXPERIENCE

## BOARD OBJECTIVES: INDUSTRY LEADING CUSTOMER EXPERIENCE & COMMUNITY ENGAGEMENT

- Deliver **top quartile customer satisfaction** in JD Power surveys
- Continually improve **ease of customer interaction**, as validated by customer surveys
- Invest in **technology to enhance the convenience** of billing, payments, appointments, emergency restoration, etc.
- Effectively target communications across customer segments and socioeconomic groups, particularly **low-income customers and disadvantaged** communities

## 2022 SELECTED PRIORITIES:



- Develop **5-year roadmaps** to advance LIPA's goals for reliability, customer experience, IT, finance, and oversight
- Develop detailed implementation plans for new **customer billing and service, call center, and data analytics platforms**, to provide the IT tools to modernize the customer experience
- Implement **new customer survey and segmentation tools** to better communicate with customers about programs and opportunities

# OPERATIONAL EXCELLENCE & SECURITY

## BOARD OBJECTIVES: OPERATIONAL EXCELLENCE & PROTECT INFORMATION & OPERATIONS

- Deploy **modern grid management technology and data analytics** benchmarked to the top 25% of utilities as measured by a Smart Grid Maturity Model
- **Enhance the capacity of the PSEG Long Island IT organization** to deliver reliable, robust, and resilient systems, by achieving Level 3 on a Capability Maturity Model
- **Protect digital infrastructure and customer data** by achieving Level 3 on the NIST Cybersecurity Framework
- Clearly **communicate customer information and data collection** policies



## 2022 SELECTED PRIORITIES

- Create a roadmap for **Smart Grid excellence** to benchmark in the top 25% of utilities
- Enhance **PSEG Long Island's IT organizational maturity** to level 3 maturity in target areas
- Conduct a detailed third-party assessment of PSEG Long Island's **cybersecurity maturity** and establish a roadmap to level 3 maturity by 2024
- Develop a detailed **IT system segregation plan** to separate Long Island IT systems from PSEG systems by the end of 2023, to provide enhanced oversight and greater operating independence
- Validate the business case benefits of PSEG Long Island's **smart meter installation** and identify opportunities to further enhance reliability and customer experience

# ENVIRONMENTAL SUSTAINABILITY AND JUSTICE

## BOARD OBJECTIVES: ENVIRONMENTAL SUSTAINABILITY & JUSTICE

- **70% renewable energy** by 2030
- **Zero-carbon electric grid** by 2040
- **Beneficial electrification** of transportation and buildings (i.e., EVs and heat pumps)
- Clean energy solutions for **disadvantaged communities**
- Maintain LIPA's A+ rating on New York's **minority, women-owned, and service-disabled veteran** procurements

## 2022 SELECTED PRIORITIES



- Complete LIPA's **Integrated Resource Plan** to achieve a zero-carbon electric grid by 2040
- Meet **state battery storage goal** for 2025 by awarding storage contracts by year-end
- Achieve fair cost allocation and approval of appropriate projects for **Long Island offshore wind** in the NYISO Public Policy Transmission process
- Develop a new "standard" rate for residential customers based on **Time of Day** that usage occurs, providing opportunities for customers to **save money, incentivizing off-peak usage**, and encouraging the deployment of **storage**
- Create a roadmap to meet state goals for **air-source heat pump deployment**
- Enhance PSEGLI's **interconnection processes for distributed resources**
- Develop a **program for cost-effective substation expansion** to increase clean energy hosting capacity
- Review **low-income discount programs**

# FISCAL SUSTAINABILITY

## BOARD OBJECTIVES: FISCAL SUSTAINABILITY & COST COMPETITIVE AND AFFORDABLE RATES

- Electric rates at the **lowest fiscally and operational sound** levels, **competitive with regional utilities** and rate increases in line with the **rate of inflation**
- Reduce **LIPA's debt to industry-standard levels** by the late 2020s to promote the lowest long-term cost of electricity for customers
- **Pre-fund pension and retirement benefits** costs in a fiscally sound manner, as measured by an actuary
- Utilize **triple-A securitization bonds** to reduce interest costs and minimize costs to customers today
- Challenge **excessive tax assessments** to reduce the hidden tax burden on customers

## 2022 SELECTED PRIORITIES

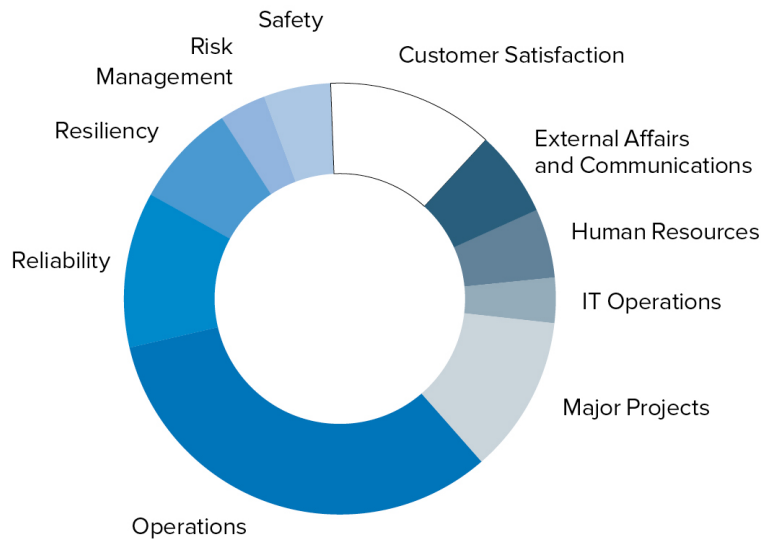


- Refinance LIPA debt for **hundreds of millions in interest savings** in today's low-interest-rate environment
- **Review PSEG Long Island's affiliate charges, fleet, real estate, work management, and construction management** practices for cost savings
- Access tax-exempt financing to "prepay" for electricity to **lower commodity costs on pre-paid energy by 10%**
- Obtain a grant from FEMA for Tropical Storm Isaias restoration costs of **\$220+ million**
- Settle, or litigate, LIPA's **tax assessment challenges** for power plants in Nassau County

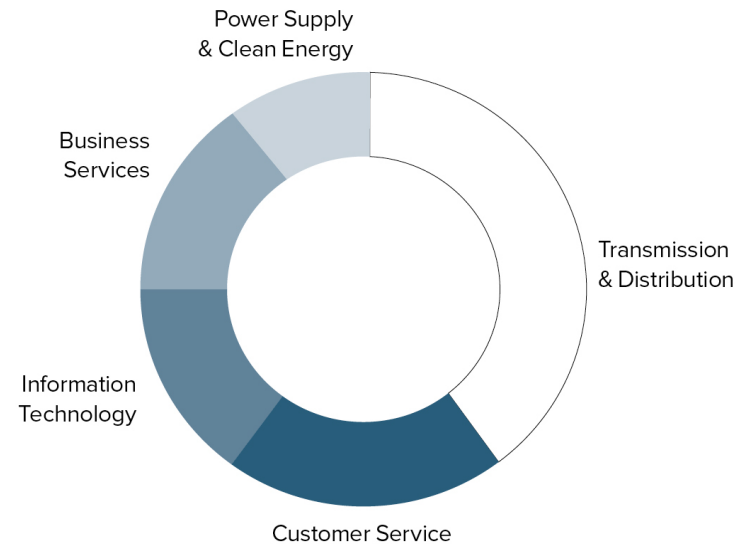
# PSEG LONG ISLAND 2022 METRICS

- For 2022, the Board approved **96 PSEG Long Island Performance Metrics**, distributed across all the management services provided by PSEG Long Island to LIPA and its customer
- There are two types of metrics – **quantitative** (e.g., SAIDI) and **projects**. There are **300+ discrete deliverables** in the project-based metrics
- **\$40 million** of PSEG Long Island's compensation (51%) at-risk based on outcomes

Focus Areas for 2022 Performance Standards



2022 Performance Standards by Function



# PERFORMANCE METRIC TRACKING & REPORTING



- LIPA has developed a **metrics tracking system** that allows for direct read and update access for LIPA, PSEG Long Island, and DPS Long Island
- On an ongoing basis, LIPA will **Independently Verify and Validate (IV&V)** PSEG Long Island's performance against the established standards for each metric
- Metrics reports will be provided to the LIPA Board no less than **quarterly**, with expected reports at the Board's May, July, September, November, and January 2023 meetings
- A **LIPA evaluation report** will be available in 2023, with an independent review of LIPA's evaluation by the Department of Public Service



# Isaias Task Force Update

# ISAIAS TASK FORCE OVERVIEW

**The LIPA Board has adopted 168 recommendations since Tropical Storm Isaias affecting all areas of the service provided to customers, resulting in 146 Project Implementation Plans:**

- **78 Isaias Task Force PIPs**
- **68 Management PIPs** to correct other PSEG Long Island operational deficiencies

**The Board has directed LIPA staff to:**

- Monitor PSEG Long Island's execution of the PIPs
- Independently verify and validate (IV&V) the remediation of each recommendation
- Report to the Board Quarterly until all PIPs are complete

# STATUS OF REMEDIATION OF PSEG LONG ISLAND COMMUNICATIONS AND OMS

## **PSEG Long Island deployed CGI Outage Management System v 6.7.8 into production on February 6, 2022**

- PSEG Long Island reported that the system is functioning as expected. Users have encountered 1 “critical” defect and a fix has been implemented as of 2/16/2022. We have requested that PSEG Long Island undertake a thorough Root Cause Analysis and provide LIPA their findings
- PSEG Long Island is yet to deploy the planned integration of AMI with OMS which now has a projected go-live date of April 2022. Until the AMI-OMS integration is properly implemented several important storm management/restoration feature will not be available to Long Island customers

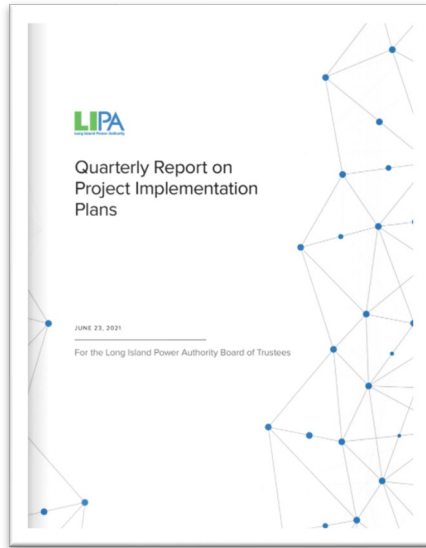
Note: OMS 7.5 is the latest released OMS version. However, only 2 utilities have deployed it.

# INDEPENDENT VERIFICATION AND VALIDATION

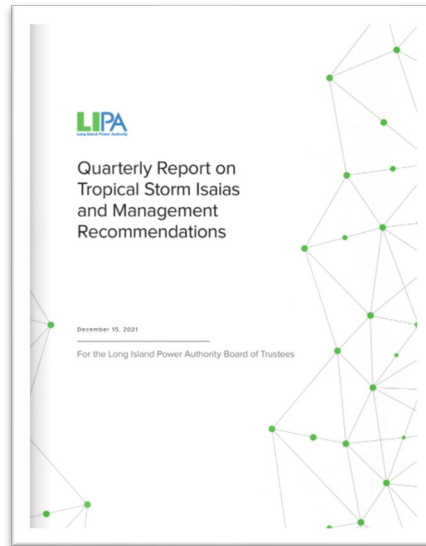
**Now that OMS v 6.7.8 has been deployed, LIPA has kicked off Phase I of OMS IV&V using its rights under the revised contract**

- **Phase I of OMS IV&V will consist of initiation, shakedown, and functional checkout of the deployed system.** It includes the following:
  - Knowledge transfer from PSEG Long Island and third-party contractors
  - Project initiation tasks (planning, project management, securing resources)
  - Review of final design specifications, configuration reviews, interface implementations
  - Standing-up of test environment and testing infrastructure
  - Undertaking initial functional tests to ensure that OMS v 6.7.8 complies with functional requirements
  - Development of Phase II plans for further functional testing and performance reviews
- Results for Phase I IV&V will be reported to the **Board by July 2022.**
- LIPA's IV&V schedule depends on prompt and urgent cooperation from PSEG Long Island. PSEG Long Island's ability to timely deliver on LIPA's IV&V asks will be critical to project success

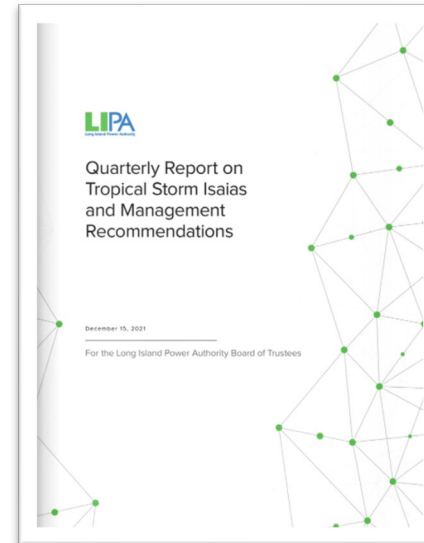
# QUARTERLY REPORTS ON TROPICAL STORM ISAIAS & MANAGEMENT RECOMMENDATIONS



June 23, 2021  
Quarterly  
Report



September 22,  
2021 Quarterly  
Report



December 15,  
2021 Quarterly  
Report

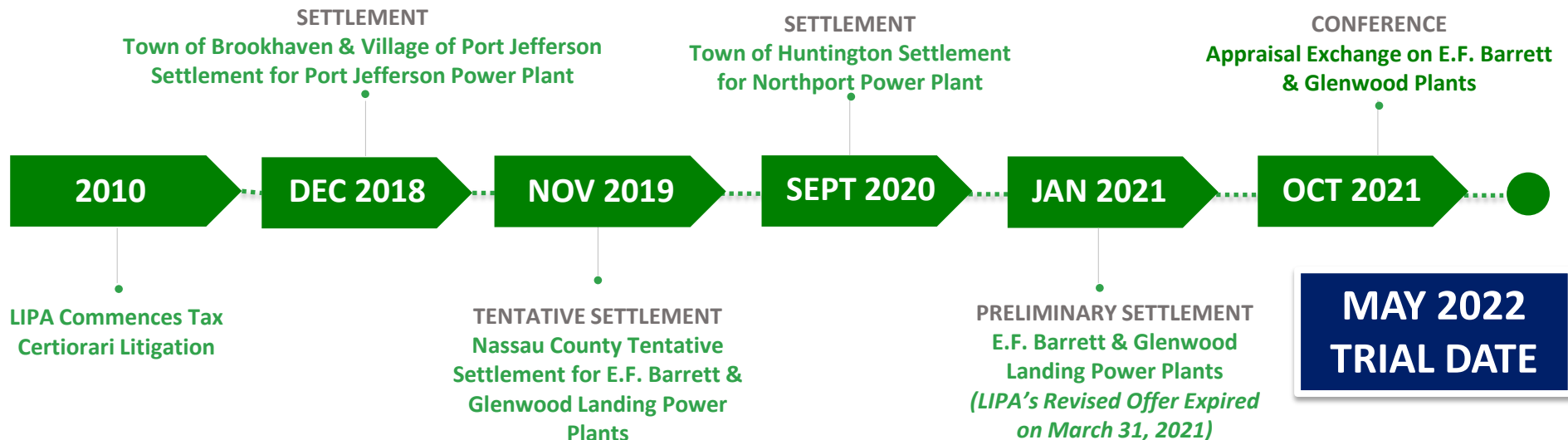
**LIPA's next  
Quarterly  
Report will be  
presented to  
the Board of  
Trustees on  
March 30**



# LIPA Property Tax Update

# BACKGROUND

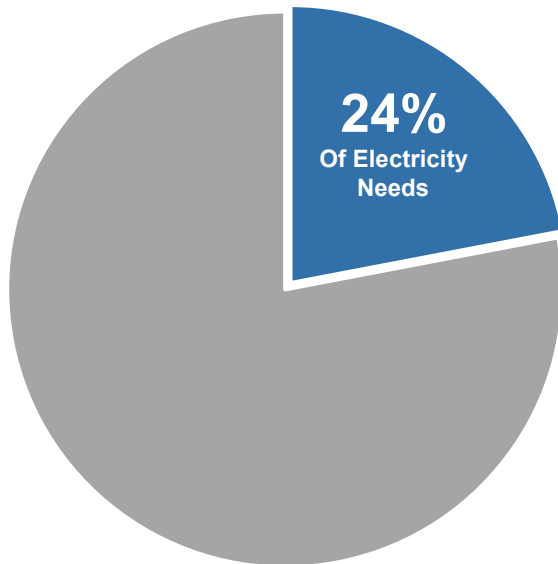
- Taxes are LIPA's third largest expense at over \$702 million, or approximately 19 percent of customer bills – 3x the national average and 2x the New York State average
- Four “legacy” plants were at one time the “workhorses” of the Long Island electric grid but use dated technology and run less and less each year. The plants will retire as New York transitions to an entirely fossil-free electric grid. The taxes are no longer sustainable
- LIPA has attempted to obtain fair assessments on these four vintage steam power plants since 2010. The two plants in Nassau County are 4-5x over assessed



# PRODUCTION VS. TAXES

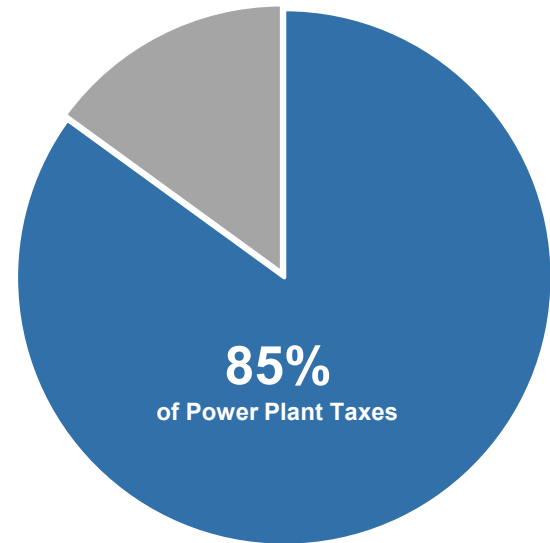
## Production

Four Legacy Power Plants Generate  
**24%** of Long Island's Electricity Needs

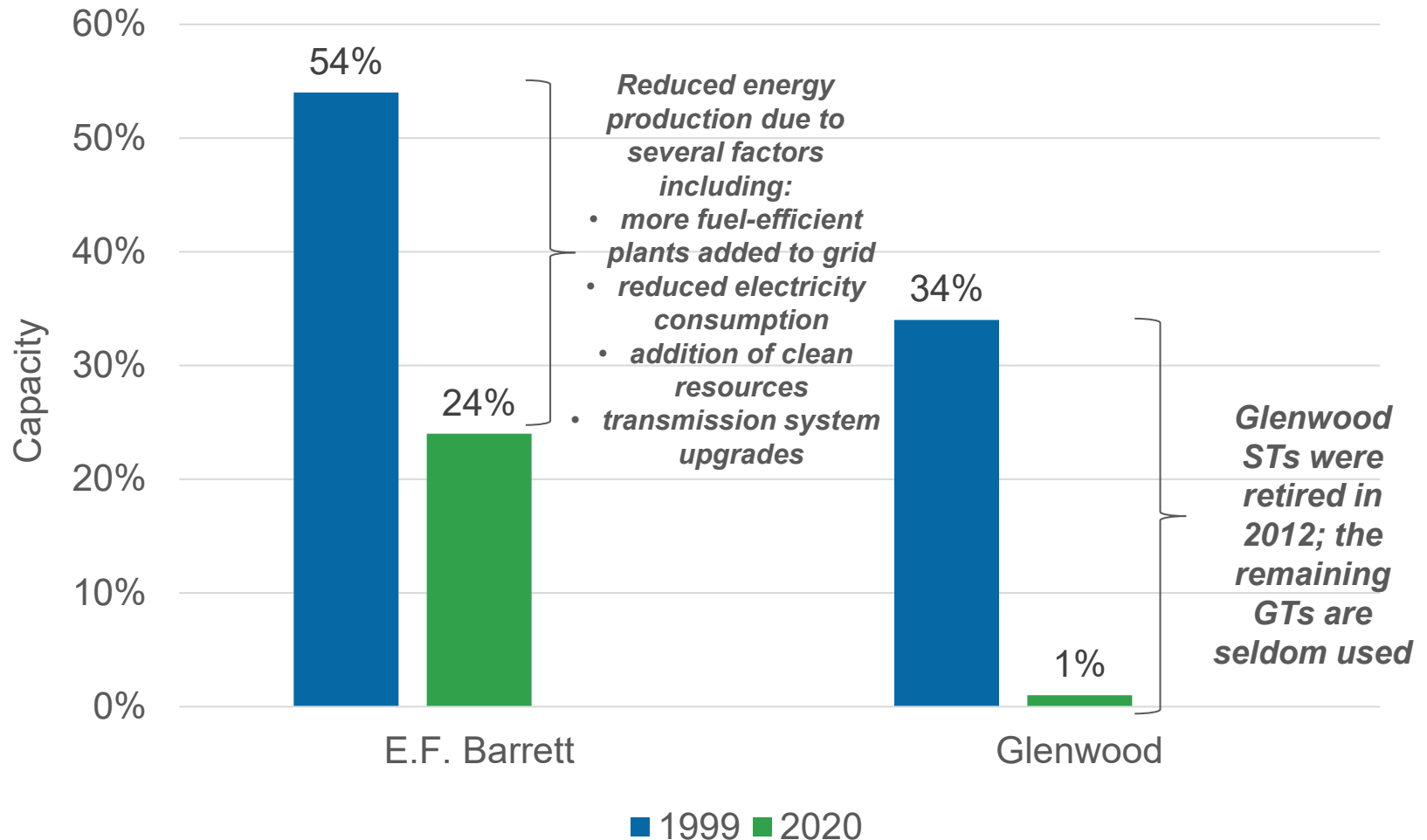


## Taxes

**85%** of Taxes Paid on All  
Generating Sources are for the  
Long Island Legacy Power Plants



# PRODUCTION AT BARRETT AND GLENWOOD IS DOWN SIGNIFICANTLY



# NASSAU COUNTY

LIPA has been working closely with the new County administration to reach a fair settlement that provides a more accurate tax bill, while protecting the local host communities.

Proposed settlement terms are consistent with those negotiated with the Towns Brookhaven and Huntington.

NASSAU COUNTY

## Blakeman: LIPA settlement near

Tax challenges over power stations could end in 'day or two'

BY MARK HARRINGTON  
[mark.harrington@newsday.com](mailto:mark.harrington@newsday.com)

Nassau County is in the final stages of negotiating an agreement with LIPA to settle property-tax challenges over two National Grid-owned power stations, County Executive Bruce Blakeman confirmed Thursday.

The agreement, if finalized in the next day or two, could bring to a close contentious cases brought by LIPA that sought to reduce taxes on the plant properties by tens of millions of dollars annually. It also would avert Nassau's potential liability to pay hundreds of millions of dollars in past taxes that LIPA says the county and local districts owe for overassessing the plants in Island Park and Glenwood Landing for nearly a decade.

"[The structure of the settlement is now with the lawyers and they are going over the (final) language," Blakeman said Thursday, adding that he expects the ink could be dry within a day or two. He added that he made the decision to settle "based on what I think is in the best interest of Nassau County as a whole."

A LIPA spokeswoman didn't immediately comment, but noted that a trial date for LIPA's tax challenges is set for May 31. LIPA has previously settled tax challenges over National Grid plants in Port Jefferson and Northport.

Blakeman declined to disclose final terms of the agreement or say how it would be different from one the county previously reached in 2019 under former County Executive Laura Curran.

That deal, largely opposed by Island Park residents and the Republican members of the Nassau County Legislature, would have over seven years cut the \$43 million that LIPA pays in taxes by roughly half.

Newsday has reported that Island Park residents would pay more than \$9,800 in additional taxes over seven years as a result of that prior proposal, which evoked outrage by taxpayers at a public forum.

Blakeman's "global, comprehensive" move to settle the tax dispute comes as the Town of Hempstead this week filed a motion to intervene in the tax dispute in a move town councilman Anthony D'Episcopo, of Island Park, said was needed to give the town a "seat at the table" in the case.



Nassau Executive Bruce Blakeman

Part of the town's request, which still must be approved by the court, includes a new affidavit by former LIPA chairman Richard Kessel acknowledging his numerous public and private statements in the 1990s that the authority would not challenge power plant taxes as a condition to win approval for the law that established the new authority's takeover of the Long Island Lighting Co.

Kessel, the Nassau LIPA chairman who also serves as a consultant to NextEra, which has a proposal with National Grid to install energy storage batteries at the Island Park power plant, declined to comment.

Hempstead's effort to join in the suit is based both on Kessel's testimony and the assertion that LIPA's tax challenges rely upon two power supply agreements with National Grid that did not receive approval from Public Authorities Control Board, a state oversight agency. Previous court cases, including by Huntington town councilman Eugene Cook, have made a similar assertion, but were dismissed for "failure to demonstrate an injury" and for being filed too late.

All such claims have been "uniformly rejected time and time again when presented to the courts," LIPA said in a statement. "LIPA has the right to file tax challenges."

Blakeman said he was "very sympathetic" to Hempstead Town and the Island Park school district and the Village of Island Park in the case. "I understand their position, but I had to look at this based on what I felt was best for the county as a whole."

Hempstead Town, in a statement, said it's seeking to intervene to "protect town residents from significant tax increases" that would result from settling the suit.



# Round Table

## Questions?