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
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

South Fork Wind (130MW)

PPA Approved: 2017
Permitting: 2018-2020
Construction: 2021-2023

- 90 MW, 15 turbines (2017)
- 130 MW, 15 turbines (2018-2019)
- 130 MW, 12 turbines (2021-2023)
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 75,000 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 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

East Hampton, powered by the wind.

Solen, our state’s first offshore wind farm will help all of New York reach our ambitious clean energy goals. East Hampton, we’re proud to be your partner in making history, as we prepare to kick off construction of South Fork Wind in the coming months.

Learn more at southforkwind.com @SouthForkWind

East Hampton is leading the way.

New York’s first offshore wind farm

17K views

Thank you, East Hampton, for once again leading the way.

Here in East Hampton, our leaders have always been true champions of the environment and our community. And now, our Town Board and Trustees have put their support behind New York’s first offshore wind farm, South Fork Wind – placing East Hampton well on the path toward reaching its goal of 100% renewable energy.

We applaud town leaders for approving the project’s real estate rights and Host Community Agreement - agreements built upon years of collaboration, which will deliver $70 million in direct community investment and include extensive protections for residents and the environment.

We’re proud to be East Hampton’s partner, working together to realize a cleaner energy future for all.

Thank you.

To learn more the project, visit southforkwind.com or follow us on Twitter @SouthForkWind.
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 roads 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 for 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 when and where 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 answer questions from the community. The virtual open house will provide recordings of live presentations, FAQs, and fact sheets will remain available throughout construction.

Please visit www.southforkwind.com to register for the open house or view the materials on the website.

For questions, please contact us at:
Email: info@southforkwind.com
Phone: 631-887-5470
Website: southforkwind.com

Use your phone’s camera QR code to sign up for updates.
Stay updated on New York’s historic first offshore wind farm.

→ Sign up today to receive updates.
Questions?

www.southforkwind.com

Jennifer Garvey
NY Market Affairs, Orsted
jegar@orsted.com
LIPA’s Priorities for 2022: Clean, Reliable, Customer-First
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
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

<table>
<thead>
<tr>
<th>Function</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission and Distribution</td>
<td>20</td>
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<tr>
<td>Information Technology</td>
<td>14</td>
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<tr>
<td>Finance</td>
<td>14</td>
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<tr>
<td>Customer Experience</td>
<td>9</td>
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<tr>
<td>Legal and Procurement</td>
<td>9</td>
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<td>External Affairs and Communications</td>
<td>9</td>
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<td>Business Performance Excellence</td>
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<td>Grants</td>
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<td>Power Supply</td>
<td>4</td>
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<td>Human Resources</td>
<td>3</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>93</strong></td>
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</table>
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

Community Advisory Board – March 2022
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
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.
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
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
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

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

June 23, 2021 Quarterly Report

September 22, 2021 Quarterly Report

December 15, 2021 Quarterly Report

Community Advisory Board – March 2022
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
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

Reduced energy production due to several factors including:
- more fuel-efficient plants added to grid
- reduced electricity consumption
- addition of clean resources
- transmission system upgrades

Glenwood STs were retired in 2012; the remaining GTs are seldom used

E.F. Barrett
- 1999: 54%
- 2020: 24%

Glenwood
- 1999: 34%
- 2020: 1%

Community Advisory Board – March 2022
Proposed settlement terms are consistent with those negotiated with the Towns Brookhaven and Huntington.
Round Table

Questions?