FOR CONSIDERATION
December 14, 2022

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Consideration of Approval of the Annual Report and Amendments on the Board Policy on Safety

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution finding that LIPA has complied with the Board Policy on Safety (the “Policy”) for the period since the last annual review, adopting certain modifications to the Policy, and approving the annual report for the Policy, which resolution is attached hereto as Exhibit “A.”

Background

By Resolution No. 1379, dated September 27, 2017, the Board adopted the Policy. The Policy sets objectives to ensure a safe environment for the dedicated workforce of its service provider and the public. The Policy also establishes regular performance reporting by LIPA Staff to enable the Board to assess the adequacy of the service provider’s policies, procedures, and practices for safety, compliance with applicable health and safety laws and regulations, safety performance, including comparisons to peer electric utilities and initiatives to improve the safety of the service provider’s operations. The Policy was last reviewed by the Board in December 2021.

Compliance with the Policy

LIPA Staff recommends that the Board find that LIPA has complied with the objectives of the Policy for the period since the last annual review for the reasons set forth below.

The Policy provides the following:

“Reviewing on a periodic basis no less than every three years the policies, procedures, and practices of the Authority’s service provider.”

- In 2022, LIPA hired an independent third-party consultant to verify that the five recommendations emanating from the 2020 triennial Safety Assessment of PSEG Long Island were implemented. The consultant also performed onsite field observations of PSEG Long Island’s work practices and safety management processes, including a comparison to industry best practices.

- In 2023, LIPA is scheduled to conduct the third triennial Safety Assessment of PSEG
“Benchmarking against the top quartile in safety performance of the service provider to the top 25 percent of peer utilities, as measured by OSHA Recordable Incidence Rate and OSHA Days Away Rate.”

- LIPA performed an independent review that PSEG Long Island benchmarked its safety performance against a nationwide panel of electric utilities. That benchmarking helps establish programs that improve safety performance. Since 2014 through year-to-date (“YTD”) 2022, there has been an improvement of approximately 80% in both the OSHA Recordable Incident Rate and the OSHA Days Away Rate. PSEG Long Island has surpassed the Board Policy standard of top quartile and is now within top decile performance for both OSHA measures, as compared to industry benchmarked peers. The OSHA Recordable Incident Rate through October 2022 is 0.59 vs. the top quartile and decile benchmarks of 0.97 and 0.76, respectively, and the OSHA Days Away Rate through October 2022 is 5.90 vs. the top quartile and decile benchmarks of 11.65 and 8.51, respectively.

“Assessing the operational factors that contribute to injuries, motor vehicle accidents and red-light violations and the efforts to improve performance, where necessary.”

- LIPA conducted monthly reviews of PSEG Long Island’s safety metrics via the Scorecard process. Additionally, LIPA conducts an in-depth quarterly independent verification and validation (“IV&V”) process for PSEG Long Island’s quantitative safety metrics, as described in the Quarterly Performance Metric Report.

- In August 2022, there was a fatality involving a PSEG Long Island contractor while working on the Transmission & Distribution system. This fatality resulted in PSEG Long Island failing to meet the Serious Injury Incident Rate (“SIIR”) metric target.

- As part of its IV&V process, LIPA reviewed PSEG Long Island’s motor vehicle accident rate and red-light violation performance. PSEG Long Island’s performance has improved by approximately 55% for both measures, resulting in a 2022 YTD Motor Vehicle Accident Rate performance of 6.96, compared to the top decile peer benchmark of 6.93.

- The LIPA IV&V of PSEG Long Island’s safety oversight and practices extended to contractors and foreign crews during storm restoration activities indicates that additional work is required in this area; specifically, around virtual training documentation of individual contractor attendees.

- The LIPA IV&V of the Electric Safety Standards pilot program included meeting with both the New York State Department of Public Service (“DPS”) and PSEG Long Island to review current practices and compliance. An expanded pilot program proposal will be considered for 2023.

**Enterprise Risk Management Discussion**

The Board has adopted a policy on Enterprise Risk Management (“ERM”). Enterprise risks are
brought to the Board’s attention throughout the year. There is one risk related to the Policy; “Employees and contractors not following procedures, equipment failures, and a lack of adequate training result in injury/death to employees, contractors and/or member(s) of the public.”

This risk is rated as a medium level risk and is identified as one of PSEG Long Island’s top-tier risks. To mitigate this risk, PSEG Long Island’s Safety Program fosters a high level of safety awareness among its employees and contractors. PSEG Long Island verifies contractor safety records, reviews, authorizes contractor safety plans prior to commencement of work, and conducts required training for employees, contractors, and supervisors (e.g., Substation Awareness Training). Attendance is tracked and monitored at these training sessions. The Safety Program also includes contractor roundtables with PSEG Long Island staff to ensure adherence to the policies and procedures and identifies additional protocols for integration into these sessions. Equipment has also been installed in company vehicles to record driving data to help reduce motor vehicle incidences.

In addition to PSEG Long Island’s oversight of its contractors, LIPA continues to manage its service provider by verifying OSHA-related data as part of the current monthly Scorecard meetings. Increased LIPA IV&V of contractors will be achieved with the inclusion of all on-island contractor injuries not previously included in PSEG Long Island’s safety statistics and a new safety performance metric – Serious Injury Incidence Rate captures high hazard related injuries. While we recognize that there has been significant improvement in many of the safety metrics, we must acknowledge that a contractor fatality occurred. Given these circumstances, we believe the management of the safety risk for contractor oversight should be reviewed.

**Annual Review of the Policy**

LIPA Staff recommends the Board adopt certain amendments to the Policy. First, that the existing standard of safety performance in the top 25 percent of peer utilities, as measured by OSHA Recordable Incidence Rate and OSHA Days Away Rate, be updated to top 10 percent to reflect LIPA’s continued focus on employee and contractor safety. Second, that there be an increased focus on eliminating fatalities and serious injuries to employees, contractors, and members of the public. Finally, that the Policy be updated to reflect the Board’s more recent policy format, starting with a vision statement.

**Recommendation**

Based upon the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form attached hereto.

**Attachment**

*Exhibit “A” Resolution*
*Exhibit “B” Policy (redline)*
RESOLUTION APPROVING THE ANNUAL REPORT AND AMENDMENTS TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON SAFETY

WHEREAS, the Board Policy on Safety (the “Policy”) was originally approved by the Board of Trustees Resolution No. 1739, dated September 27, 2017; and

WHEREAS, the Oversight and Clean Energy Committee of the Board of Trustees has conducted an annual review of the Policy and recommended that the Board find that the Policy has been complied with and that the changes proposed to the Policy are due and proper.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that LIPA has complied with the Policy for the period since the last annual review and approves the annual report to the Board; and

BE IT FURTHER RESOLVED, that the Board hereby approves the amendments to the Policy as set forth in Exhibit “B”.

Dated: December 14, 2022
Board Policy:

**Safety**

Policy Type:  
**Strategic VisionDirection Operating Policies**

Monitored by:  
Oversight Committee

Board Resolution:  
#1379, approved September 27, 2017  
#xxxx, approved December 14, 2022

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**Board Policy on Safety**

LIPA’s vision for safety is to be recognized as a leader in employee safety while also assuring the safety of the public related to LIPA operations and facilities.

To achieve our vision for safety, LIPA will:

It is the policy of the Long Island Power Authority to ensure a safe environment for the dedicated workforce of its service provider and the public by:

- Benchmark safety to the top 10 percent of peer utilities, as measured by the OSHA Recordable Incidence Rate and OSHA Days Away Rate.

- Take steps to eliminate fatalities and serious injuries to employees, contractors, and members of the public.

- Assess the operational factors that contribute to injuries (e.g., motor vehicle accidents) and the efforts to improve performance, where necessary.

- Reviewing on a periodic basis—no less than every three years—the policies, procedures, and practices of the Authority’s service provider related to:
  - Compliance with applicable health and safety laws and regulations concerning its employees, contractors, and the public;
  - Maintaining appropriate safety procedures, programs, and training for employees and contractors based on their responsibilities and duties;
  - Reporting incidents involving employees and the public promptly, investigating the cause of such incidents, and taking corrective action.

- Benchmarking the safety performance of the service provider to the top 25-10 percent of peer utilities, as measured by the OSHA Recordable Incidence Rate and OSHA Days Away Rate.

- Eliminating fatalities and serious injuries to employees, contractors, and members of the public.

- Assessing the operational factors that contribute to injuries (e.g., motor vehicle accidents) and the efforts to improve performance, where necessary.

The Chief Executive Officer will report annually to the Board on:

- Safety performance, including comparisons to peer electric utilities;
- Initiatives to improve the safety of LIPA’s operations;
• The adequacy of the service provider’s policies, procedures, and practices related to safety; and
• Compliance with applicable health and safety laws and regulations;
• Safety performance, including comparisons to peer electric utilities; and
• Initiatives to improve the safety of the service provider’s operations.
LIPA’s vision for safety is to be recognized as a leader in employee safety while also assuring the safety of the public related to LIPA operations and facilities.

To achieve our vision for safety, LIPA will:

- Benchmark safety to the top 10 percent of peer utilities, as measured by the OSHA Recordable Incidence Rate and OSHA Days Away Rate.

- Take steps to eliminate fatalities and serious injuries to employees, contractors, and members of the public.

- Assess the operational factors that contribute to injuries (e.g., motor vehicle accidents) and the efforts to improve performance, where necessary.

- Review no less than every three years the policies, procedures, and practices of its service provider related to:
  - Complying with applicable health and safety laws and regulations concerning its employees, contractors, and the public;
  - Maintaining appropriate safety procedures, programs, and training for employees and contractors based on their responsibilities and duties;
  - Reporting incidents involving employees and the public promptly, investigating the cause of such incidents, and taking corrective action.

The Chief Executive Officer will report annually to the Board on:

- Safety performance, including comparisons to peer electric utilities;
- Initiatives to improve the safety of LIPA’s operations;
- The adequacy of policies, procedures, and practices related to safety; and
- Compliance with applicable health and safety laws and regulations.