



Department  
of Public Service

# LIPA Board of Trustees Briefing

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# AGENDA

- **Recent Updates**
- **Utility 2.0 & EEBEDR Recommendation**
- **Metrics Recommendation**
- **LIPA Tariff Change Recommendations**
- **Management Audit Update**

# RECENT UPDATES

- DPS last addressed the LIPA Board July 2022.
- Recent Recommendations:
  - Matter 22-00945: LIPA Tariff Changes, issued December 2022.
  - Matter 14-01299: PSEG LI Utility 2.0 Long Range Plan, issued November 2022.

# Recommendations – Utility 2.0 and EEBEDR Plan

# Utility 2.0 2022 Overview

- PSEG LI *proposes* 3 new programs in the 2022 Update.
- 8 Active Programs - 7 projects with Recommended funding & 1 not proceeding.

## IEDR (Integrated Energy Data Resource)

- Aims to implement a statewide platform that allows stakeholders to utilize customer and system data consistent with a Commission Order in Case 20-M-0082.
- Recommendation: Approve

## Residential Storage System Incentive

- Program to provide Incentive funding for residential storage paired with new or existing solar.
- Continues existing NYSERDA Program which will end in mid-2023 when funding is depleted.
- Recommendation: Approve with adjustment

## Storage & EV Hosting Capacity Maps

- Develop Hosting Capacity Maps for Storage and EV Charging to supplement existing Solar Maps.
- 1 Year Initiative
- Aligns PSEG LI & LIPA with the Joint Utilities which completed EV HCMs and implemented Storage Hosting Capacity Maps this year.
- Recommendation: Approve

# EEBEDR Recommendations

## All Electric Homes

### DPS Recommends:

- PSEG LI should continue to share insights from the implementation of the program with the other electric utilities in NYS.

## Dynamic Load Management Programs

### DPS Recommends:

- PSEG LI/LIPA must develop and file DLM program BCAs consistent with the Commission's BCA Framework Order and file as part of DLM Program annual reports in Case 14-E-0423.

## Residential Low-Income Programs

### DPS Recommends:

- LIPA and PSEG LI continue to provide adequate reporting of spending and energy related metrics to comply with CLCPA guidelines.
- LIPA and PSEG LI anticipate the need to separately track energy savings and associated DAC benefits tied to the RGGI Grant funding they receive from NYSERDA.
- LIPA and PSEG LI plan to ensure that 35-40% of total and incremental funding of EEBEDR programs be earmarked towards DACs as defined by the Climate Action Council.

## Home Comfort Plus (LMI)

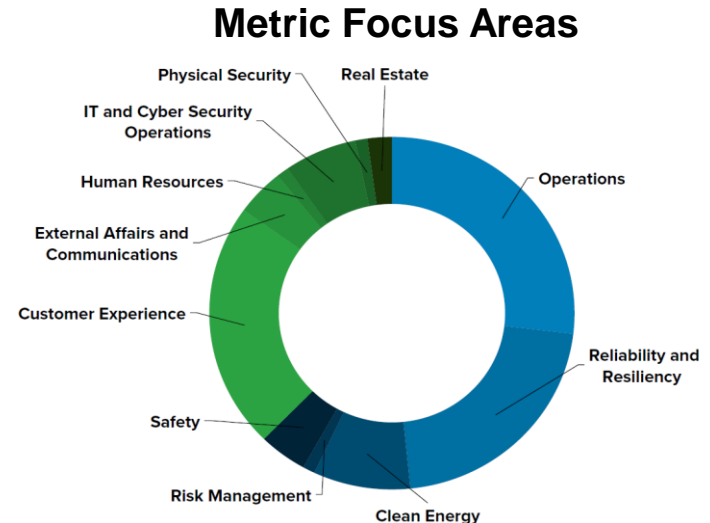
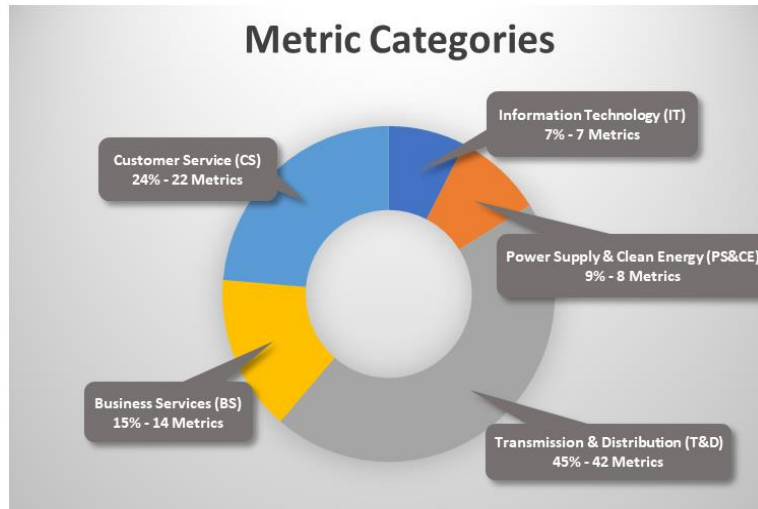
### DPS Recommends:

- PSEG LI should continually monitor unit costs as the heat pump market transforms to ensure that incentives for LMI customers are not being inflated compared to market rate projects.

# Recommendations - 2023 Metrics

# PSEG LI Metrics 2023

- **Metrics Set by LIPA and DPS** through an annual process whereby DPS issues recommended metrics to be voted on by the LIPA Board; timing aligns with Budget Development Schedule.
- **Greater Accountability Tied to All Areas of Management Services** through 93 Performance Metrics in the areas of T&D, Customer Service, Information Technology, Business Services, Power Supply & Clean Energy Programs.
- **Greater Risk for Underperformance** the Reformed OSA puts \$21 million\* of PSEG LI's annual compensation at risk; including enhanced gating and default metric consequences.



\* Indexed for the Consumer Price Index, with an adjustment for 2022 of \$1.025 Million.



# Metrics Recommendation

- Staff has reviewed LIPA's Final Metrics Proposal and recommends:
  - Adoption of seventy-three (73) of the ninety-nine (99) proposed metrics;
  - Modification of twenty (20) metrics with adjustments to target levels and/or certain exclusion criteria; and
  - Rejection of six (6) metrics in LIPA's Final Metrics Proposal.

# Recommendations – LIPA's Proposed Tariff Changes

# December 2022 LIPA Tariff Proposals

## ■ Six Proposals in total:

1. Modify the rate design of Service Classification No. 2-MRP Large General and Industrial Service with Multiple Rate Periods (2-MRP) as part of LIPA's annual Budget and Rate Update filing;
  2. Modify SGIP to implement an interconnection cost-sharing framework;
  3. Implement a Large Renewable Host Community Benefit program;
  4. LI Choice: new Merchant Function Charge (MFC) and Purchase of Receivables w/ Consolidated Billing Option;
  5. Prolonged Outage/ Food& Medicine Reimbursement consistent with the terms of Public Service Law (PSL) § 73; and
  6. Provide a monthly bill credit for Low-to-Moderate Income (LMI) customers through the Solar Communities Feed-in Tariff.
- DPS Staff recommends adoption of all proposals, however, Staff has specific recommendations to modify LIPA's proposals for SGIP interconnection cost-sharing framework, and prolonged outage reimbursement program.
  - LIPA SAPA'd Tariff Changes in September 2022, and held Public Hearings on Nov. 17<sup>th</sup>
  - LIPA received public comments up to Nov. 28. NYSEIA provided comments on the SGIP proposal, which are addressed in DPS Staff's recommendations.

# Widespread Prolonged Outage

## LIPA's Proposal

- Provide a \$25 credit to residential customers for each subsequent calendar day of service outage that occurs beyond the first three calendar days of the Widespread Prolonged Outage.
- Reimburse residential customers for spoiled food and prescription medicine similar to the requirement of PSL §73.
- Reimburse small business customers up to \$540 for spoiled food similar to the requirement of PSL §73.
- Customers must provide LIPA with itemized lists and/or proof of loss within 14 days of the end of the outage, then LIPA will reimburse customers within forty-four days after the widespread prolonged outage has ended.
- Instead of a waiver provision, LIPA's CEO will determine whether to issue the credits upon the recommendation of DPS.
- Remove all daily meter charges from its widespread prolonged outage credits' calculation.

## Staff Recommendations

- Provide customers with a \$25 credit for each full 24-hour outage period beyond the initial 72- hour outage.
- Allow qualified customers to automatically receive outage credits and apply for reimbursement of spoiled food and medication.
- Notify customers that they may request monetary reimbursement if the credits leave them with a credit on their bill.
- LIPA shall provide reimbursements to eligible customers within 30 days of receipt of the application for reimbursement.
- Amend its proposed waiver provision to align with the waiver provision contained in PSL §73:
  - DPS will review LIPA's waiver proposal and issue its recommendation(s) to LIPA BOT; and
  - LIPA shall provide adequate justification that demonstrates why customers shall not receive these benefits.
- LIPA shall file a detailed communication plan with DPS and include it in its subsequent Emergency Response Plan filing.
- Provide eligible customers with a credit for their daily meter charge for each day they are without service.

# LIPA/PSEG LI Management Audit – Matter 21-00618

# Matter 21-00618: Management and Operations Audit of LIPA and PSEG LI (MOA)

## ▪ Update on MOA

- ❑ NYS Office of Comptroller approved Contract on September 29<sup>th</sup>, 2022.
- ❑ Two Public Statement Hearings were held on October 3<sup>rd</sup>, 2022.
- ❑ 205 initial Data Requests sent to LIPA and PSEG LI by NorthStar on October 5<sup>th</sup>, 2022.
- ❑ Interviews began the week of November 29<sup>th</sup>, 2022.
- ❑ 40+ Interviews held by NorthStar.
- ❑ Interviews attended by DPS staff - in person and virtual.

## ▪ Next Steps

- ❑ Ongoing Data Requests and Interview Requests from NorthStar.
- ❑ Draft work plan due by NorthStar to DPS staff on January 30<sup>th</sup>, 2023.

# Questions?

