COMMUNITY ADVISORY BOARD

MEETING AGENDA

WEDNESDAY, MARCH 22, 2023  |  8:00 A.M.

I: WELCOME & INTRODUCTIONS

II: BRIEFING BY NYS COMMISSIONER JACKIE BRAY

III: LIPA BRIEFING ON PHYSICAL SECURITY

IV: LIPA BRIEFING ON CYBERSECURITY

V: TIME-OF-DAY RATE PROPOSAL

VI: LEGISLATIVE COMMISSION UPDATE

VII: ROUND TABLE DISCUSSION

NEXT MEETING DATE:

WEDNESDAY, JUNE 21, 2023  |  12:00 - 1:30 P.M.

JONES BEACH ENERGY & NATURE CENTER
Welcome & Introductions

Briefing by NYS Commissioner Jackie Bray

LIPA Briefing on Physical Security

LIPA Briefing on Cyber Security

Time-of-Day Rate Proposal

Legislative Commission

Roundtable Discussion
WELCOME & INTRODUCTIONS
LIPA Community Advisory Board Meeting
March 22, 2023
DHSES Mission

- Works to protect New Yorkers, their property, and the State's economic well-being from natural and human-caused emergencies and disasters.

- Strives to improve readiness and response across the Empire State through planning, training and a multitude of programs and partnerships with government, private sector, and other organizations.

- Coordinates response and recovery efforts of State agencies during emergencies and disasters in support of local government and its constituents.
Diverse Threat Environment Facing Electric Grid

- Advanced Persistent Threat (APT) actors backed by adversarial nation-states.
- Domestic Violent Extremists (DVEs) such as Racially motivated violent extremists (RMVEs), Anti-Government Violent Extremists, and Accelerationists have increased their calls to supporters to destroy or damage Electricity Subsector assets.
- Technological hazard, such as events caused by humans, accidents, incorrect procedures, and infrastructure deficiencies.
- Criminal and financially motivated actors.

Chart recreated from data in Politico, "Physical attacks on power grid surge to new peak", 12/26/22 (Source: DOE)
Recent Attacks on the Energy Industry

US woman and neo-Nazi leader plotted to attack power grid via sniper - officials

Sarah Beth Clendaniel allegedly conspired with Brandon Russell to attack electrical substations in the Baltimore area

Associated Press article, February 6, 2023 (Link)
DHSES Efforts To Mitigate Threats

- December 2022 threat briefing for utility executives following the attack in Moore County, NC
- Consistent and timely information sharing on physical and cyber-related energy sector threat
- Physical security risk assessments provided at no cost to operators
- Red Team exercises to test and reinforce the state’s “See Something Say Something” terrorism awareness outreach.

- Participate in the quarterly Utility Security Working Group meetings with the NYISO
- Participate in the National GridEx and NYS electrical grid TTX
- Member of the Energy Information Sharing and Analysis Center (E-ISAC)
- Coordinate security reviews with the Public Service Commission
New Tools to Combat Threats

- EO 18 issued in May 2022 creates the Domestic Terrorism Unit within DHSES

- 2022 Legislation to Protect Against Cyber Threats to New York's Electric Grid

- FY2024 Budget Proposal for First-Ever, Specialized Industrial Control System Assessment Team
Questions?
LIPA PHYSICAL SECURITY UPDATE
LIPA’S BOARD POLICY ON PHYSICAL SECURITY

• LIPA’s Transmission & Distribution Operations Board Policy contains the following objective:

“Safeguard people and protect facilities and functions that support operations from unauthorized access or disruption through vulnerability assessments and risk mitigation.”
In 2022, LIPA engaged an independent third-party consultant to assess the current state of the utility’s physical security posture and its compliance with the prevailing guidelines governing its security operations.

Benchmarked LIPA’s physical security maturity relative to industry standards.

Identified and compiled a listing of common and site-specific findings and prioritized recommendations for improvement opportunity consideration.

Created a 2023 Physical Security metric that has the objective of developing and executing plans to enhance physical security, including the integration of new technologies at critical locations, including control centers, substations, and yards.
Cyber Security: LIPA will protect customer, employee, and third-party information and LIPA information systems from unauthorized access or disruption
LIPA’s new contract with PSEG Long Island (effective April 1, 2022) required the hiring of a Long Island Chief Information Security Officer and cyber security staff dedicated to LIPA’s operations.

LIPA and PSEG Long Island conduct quarterly internal vulnerability assessments, annual third-party vulnerability assessments, and penetration testing of all information and operational technology systems and promptly mitigate vulnerabilities.

PSEG Long Island under the new contract with LIPA must maintain industry-benchmarked levels of cybersecurity as verified annually by an independent assessment by LIPA. LIPA has the right to terminate the PSEG Long Island contract should PSEG Long Island fail to maintain compliance, which provides a strong incentive for improvement.
Joint Security Operations Center (JSOC)
- Statewide view of the cyber-threat landscape and improve coordination and agility on threat intelligence and incident response.

Electricity Subsector Coordinating Council (ESCC)
- ESCC – Electricity Subsector, Telecom, and Finance Coordination
- Cyber Mutual Assistance Program

Large Public Power Council (LPPC)
- Established a Cyber Security Task Force in 2016 – 27 Large Public Utilities
- Sharing of Cyber Security Program Practices – Benchmarking
- Participating in LPPC initiatives for all NYS Power companies monitoring and Information Sharing Platform, IronDome

American Public Power Association (APPA)
- APPA-DOE Funding Opportunities to Elevate Cyber Security Programs of its Members

Electricity Information Sharing and Analysis Center (E-ISAC)
- Physical and Cyber Security Information Threats Sharing

Northeast Power Coordinating Council (NPCC)
- Situation Awareness and Infrastructure Security (SAIS) Program

North American Electric Reliability Corporation (NERC)
- Mandatory Cyber Security Standards – NERC CIP
WELCOME TO LIPA’S NEW TRUSTEES
LIPA is governed by a local Board of Trustees consisting of customers appointed by the Governor and Legislature. The Trustees serve for staggered four-year terms and are not compensated for their service.

The Board contracts with vendors; sets policy, strategy, and performance metrics for PSEG Long Island’s service to our customers; finances the infrastructure investments necessary for a reliable electric grid; and leads Long Island’s transition to a clean energy future.

All Trustees are statutorily required to have relevant utility, corporate board, or financial experience.

LIPA BOARD OF TRUSTEES

- **Mark Fischl**
  - Vice Chairman

- **Elkan Abramowitz**
  - Trustee

- **Valerie Anderson Campbell**
  - Trustee

- **Rev. Alfred Cockfield**
  - Trustee

- **Sheldon L. Cohen**
  - Trustee

- **Nancy S. Goroff Ph.D.**
  - Trustee

- **Laureen Harris**
  - Trustee

- **Dom Macchia**
  - Trustee

- **Mili Makhijani, Esq.**
  - Trustee
LIPA IS MOVING TO TIME-OF-DAY RATES IN 2024

• LIPA will offer a standard Time-of-Day (TOD) rate plan for residential customers in 2024.

• Peak hours are 3 p.m. to 7 p.m. on weekdays. Electricity will be cheaper “off peak” 88% of the hours of the year including all day on weekends and holidays.

• LIPA will deploy services and tools to educate customers and help them make the most of the new plans. Customers who try TOD will receive a 1-year Bill Protection Guarantee and can switch back to their current rate plan at any time. Customers will be notified 90, 60 and 30 days before transition.

• Shifting electric use during a few peak hours to other times of day results in cleaner and less expensive energy use and helps prevent high-cost upgrades to the electric grid (substations, transformers) to meet peak capacity.

December 2021
LIPA, solar industry, and stakeholders agree to plan to transition to TOD

2022
Research, planning, and stakeholder engagement

March 2023
LIPA Board to consider TOD rate design

2023
Operational and IT preparations

2024
Phased transition of customers
SAVINGS POTENTIAL

- Over **80% of customers will pay less on time-of-day rates** without changing their routines as most energy is consumed off peak.

**Customer Bill Savings on the Time-of-Day Rate and Super Off-Peak Rates**

With the modernized TOD Rate, customers who run appliances before 3 p.m. or after 7 p.m. will save money as compared to the Flat Rate. With the optional Super Off-Peak Rate, customers can save even more by running appliances after 10 p.m. and before 6 a.m.

<table>
<thead>
<tr>
<th>TOD Rate (Save before 3 p.m. or after 7 p.m.)</th>
<th>Super Off-Peak Rate (Smaller savings before 3 p.m. or after 7 p.m. and larger discounts between 10 p.m. and 6 a.m.)</th>
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<tbody>
<tr>
<td><strong>Initial Savings</strong>‡  (Before any Changes to Electric Use)</td>
<td><strong>Initial Savings</strong>‡  (Before any Changes to Electric Use)</td>
</tr>
<tr>
<td><strong>Dishwasher</strong></td>
<td><strong>Washing machine</strong></td>
</tr>
<tr>
<td>Save $3.50 per month</td>
<td>Save $0.50 per month</td>
</tr>
<tr>
<td>Save $5.75 per month</td>
<td>Save $1.50 per month</td>
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</tbody>
</table>

**Note:** These estimates are based on average household appliance usage. The typical household already uses most of its electric off-peak, so the “initial savings” is without assuming changes to electric usage. The additional savings estimates for dishwashers, laundry, pool pumps, and electric vehicles assume customers move their appliance usage to the lowest price period. The “initial savings” does not include savings for customers with pool pumps or EVs, as their usage is higher than the typical customer. Pre-cooling and pool pump savings only apply to the summer months. The battery storage example shows the savings available from using residential storage to optimize a TOD rate. LIPA will help every customer estimate their individual savings potential based on their actual usage patterns.
Most customers save money on TOD.

- On average, customers will save $3.50 per month.

- Customers who move a portion of their usage to off-peak times can save more money.

*These are the rates that would apply if the program were launched in 2023.
Deep discounts overnight.

- “Super off-peak” hours from 10 p.m. to 6 a.m. every day.
- Low super off-peak pricing creates bigger savings for customers who can use more overnight.

*These are the rates that would apply if the program were launched in 2023.*
LIPA held two public hearings on February 21, 2023 and accepted written public comments until February 27.

The proposal is scheduled for consideration at the March 29, 2023 meeting of the LIPA Board of Trustees.

- Consideration by the Board of rate and tariff changes are held in open session and the public is always invited to attend and speak. For more information on how to attend and participate in public hearings and Board meetings, please visit lipower.org.

For more information on LIPA’s Time-of-Day Rate Proposal:

www.lipower.org/time-of-day/
LEGISLATIVE COMMISSION
The Legislative Commission on the Future of LIPA has held five regional public hearings. LIPA was invited to testify at two of these hearings.

The Commission has held two Advisory Committee meetings and has also hired legal and consulting advisors.

The Commission is expected to issue a draft report in March 2023.

Additional public hearings will then be held to gather feedback on the draft report.

LIPA continues to provide the Commission with objective research and analysis on relevant topics.