

LONG ISLAND POWER AUTHORITY
MINUTES OF THE
GOVERNANCE, PLANNING and PERSONNEL COMMITTEE MEETING
HELD ON FEBRUARY 15, 2023

The Governance, Planning and Personnel Committee of the Long Island Power Authority ("LIPA") was convened at 10:31 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on February 10, 2023; and electronic notice posted on LIPA's website.

The following LIPA Trustees were present:

Drew Biondo, Acting Chair (in person)
Elkan Abramowitz, Committee Chair (via video conferencing)
Valerie Anderson Campbell (in person)
Sheldon Cohen (in person)
Mark Fischl (in person)
Nancy Goroff (in person)
Laureen Harris (in person)
Rev. Al Cockfield (in person)

Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O'Connor, General Counsel & Board Secretary; Mujib Lodhi, Chief Information Officer and Senior Vice President of Customer Experience; Barbara Ann Dillon, Director of Human Resources and Administration; Jen Hayen, Director of Communications; and Andrew Berger, Communications Assistant. Participating via video conferencing were Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board.

Acting Chair Biondo welcomed everyone to the Governance, Planning and Personnel Committee meeting of the Long Island Power Authority Board of Trustees.

Acting Chair Biondo stated the first item on the agenda is the adoption of the minutes from the November 16, 2022 Governance, Planning and Personnel Committee meeting.

Upon motion duly made and seconded, the minutes of November 16, 2022 meeting was approved unanimously.

Acting Chair Biondo stated that next item on the agenda is the Consideration of Recommendation to Approve the Annual Report and Amendments on the Board Policy on Strategic Planning and Oversight to be presented by Mujib Lodhi.

Mr. Lodhi presented the following action items and took questions from the Trustees:

Requested Action

The Governance, Planning, and Personnel Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution recommending that the Board: (i) approve the annual report on the Board Policy on Strategic Planning and Oversight (the “Policy”); (ii) find that LIPA has complied with the Policy; and (iii) approve certain amendments to the Policy, which resolution is attached hereto as Exhibit “A”.

Background

LIPA utilizes contracts with service providers to provide transmission and distribution operations services, fuel and power procurement, and power supply resources. Under the LIPA Reform Act and the Second Amended and Restated Operations Services Agreement (the “OSA”), LIPA has oversight rights and certain responsibilities with respect to those contracts, the operation and maintenance of the Long Island electric grid, and the generation assets under contract to LIPA.

In March 2018, the Board adopted the Policy with the purpose of establishing the Board’s expectations for oversight by LIPA of the “service providers in a systematic manner that meets the needs and protects the interests of LIPA’s customers”. In January 2019, the Board approved amendments to the Policy related to LIPA’s direct operations. Thereafter in July 2020 and September 2021, the Board approved amendments to the Policy to, among other things, better define the roles of the Board and management in LIPA’s strategic planning activities.

Compliance with the Policy

LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has complied with the Policy since the last annual review. The Policy requires “the CEO or his

or her designee report annually to the Governance Committee of the Board of Trustees on compliance with the key provisions of this Policy. LIPA's CEO will consult with and report to the Board on: the objectives of LIPA's annual Work Plan for the coming year and the accomplishments of the prior year Work Plan, including Oversight activities; the status of the five-year Strategic Roadmaps; the Oversight Framework implemented by LIPA's management team; and the sufficiency of LIPA staff and resources to achieve LIPA's Purpose, Vision, Board Policies, and Oversight Objectives."

Work Plan and Performance Metric Objectives and Accomplishments:

- The LIPA annual Work Plan and PSEG Long Island Performance Metrics deliver the yearly translation of the Board's vision and strategic direction into specific activities, projects, and budgets.
 - The 2022 Work Plan included 93 projects covering all aspects of delivering clean, reliable, and customer-first service.
 - 50 projects involved independently verifying and validating (IV&V) the achievement of PSEG Long Island's Performance Metrics.
 - Of the remaining 43 projects (non-IV&V), one project was canceled, 20 projects were completed and LIPA staff made substantial progress on the remaining 22 projects, most of which were multi-year initiatives.
 - LIPA management monitors milestones weekly for multi-year projects and routinely adds projects throughout the year as circumstances and priorities emerge and change.
 - LIPA staff reported to the Board quarterly on PSEG Long Island's progress against the 2022 Performance Metrics. Staff will provide an Annual Report on PSEG Long Island's performance at the conclusion of our evaluation of the 2022 Performance Metrics.
 - The 2023 Work Plan includes 57 projects that align with the Board's policies and corporate objectives.
 - For 2023, the Board adopted 93 PSEG Long Island Performance Metrics in December 2022, distributed across all the management services provided by PSEG Long Island to LIPA and its customers

The Status of the Five-Year Strategic Roadmaps:

- The Board directed LIPA staff to craft Five-Year Strategic Roadmaps in 2021 and this requirement was incorporated into the revised OSA with PSEG Long Island, which became effective in April 2022.
- In 2022, LIPA, in conjunction with PSEG Long Island, commenced work on developing 5-Year Roadmaps to deliver on the Board's expectations. Activities included reviewing the Board policies, identifying gaps and potential actions through consultation with LIPA and PSEG Long Island management and staff, and prioritizing and sequencing initiatives considering the risks and benefits.
- 5-Year Roadmaps will be reviewed by the Board for Customer Experience, Transmission and Distribution Operations, Information Technology and

Cybersecurity, Performance Management, and Finance in February 2023, while plans for Business Services, Power Supply, and Clean Energy will come before the Board in late 2023.

- While the Roadmaps provide a five-year outlook, in adherence with the policy, the Board will receive updates on a triennial basis.
- The priorities outlined in the Five-Year Strategic Roadmaps are translated annually into Work Plans, Performance Metrics, and Budgets.

Performance Management Framework:

- The Performance Management Framework provides transparency and accountability to the Board and customers for the accomplishment of the Board’s strategic objectives and the funds budgeted each year. The Performance Management Framework includes:
 - **5-Year Roadmaps:** As part of the Strategic Planning process, starting from Board Policies, the 5-Year Roadmaps identify the end states and gaps to current capabilities and prioritizes those gaps to meet the expectations of the Board and service to our customers.
 - **PSEG Long Island Annual Performance Metrics:** LIPA develops Performance Metrics for PSEG Long Island each year. These standards create quantitative and project oriented metrics that advance the 5-Year Roadmaps and the Board’s policy objectives. LIPA staff independently verifies and validates (“IV&V”) PSEG Long Islands performance under the OSA, including on the Performance Metrics.
 - **LIPA’s Annual Work Plan:** LIPA develops and manages projects that it directly executes to advance the 5-Year Roadmaps and the Board’s policy objectives.
 - **Performance Reports:** LIPA staff reports to the Board quarterly and annually on PSEG Long Island’s performance under the Performance Metrics and on other items of significant concern to the Board, such as Board-adopted Recommendations, reports on compliance with each Board Policy, and budget.

LIPA Staff also reports annually on accomplishments of the staff Work Plan.

In 2022, LIPA established the Strategic Performance Management Office (“SPMO”) to centrally organize its standards for IV&V as well as to support LIPA staff in project management and cross functional project collaboration. SPMO organizes reporting to the Board and LIPA management on the Work Plan and PSEG Long Island Performance Metrics and provides assistance to LIPA departments in defining and executing project plans, monitoring work execution, and reporting. LIPA regularly conducts performance review meetings both with internal staff and with PSEG Long Island to promote accountability and drive accurate results for progress reported at regular frequencies, such as monthly, quarterly, and annually.

The Sufficiency of LIPA Staff and Resources:

- LIPA contracts for a substantial portion of the services needed to accomplish its Vision and Purpose and relies on internal staffing and consulting support to manage the performance of vendors and its own responsibilities.
- The approved 2023 LIPA Budget includes sufficient funding for the positions and consulting resources management believes is necessary at the present time to accomplish the Purpose and strategic direction defined by the Board in policy. Management regularly reviews the sufficiency of staffing and consulting resources and makes adjustments, as necessary. The revised OSA resulted in a significant increase in the work load of the LIPA staff, which was accounted for in the 2023 Budget proposal.

Annual Review of the Policy

The Board hired Leading Resources, Inc. to review the Board policies and facilitate discussion amongst the Trustees on amending certain policies. A working group of Trustees participated in various meetings to develop and draft amendments to the Policy. The draft amendments to the Policy have been shared with the entire Board. The final version of the amended Policy, as drafted by the Trustees, is attached hereto as Exhibit “B”.

Recommendation

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

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RESOLUTION RECOMMENDING APPROVAL OF THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON STRATEGIC PLANNING AND OVERSIGHT

WHEREAS, the Board Policy on Strategic Planning and Oversight (the “Policy”) was most recently reviewed by the Board of Trustees on September 22, 2021; and

WHEREAS, the Governance, Planning and Personnel Committee (the “Committee”) has received the annual Staff report on compliance with the Policy; and

WHEREAS, the Committee has reviewed the Policy and recommends approval of the changes to the Policy as recommended by Staff finding that the amendments are due proper.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Committee hereby recommends that the Board find that LIPA has complied with the Policy for the period since the adoption of the Policy, approve the annual report to the Board, and approve updates to the Policy, as recommended herein.

Acting Chair Biondo stated that next item on the agenda is the Consideration of Recommendation to Approve the Annual Report and Amendments on the Board Policy on Diversity, Equity, and Inclusion to be presented by Barbara Ann Dillon.

Ms. Dillon presented the following action items and took questions from the Trustees:

Requested Action

The Governance, Planning, and Personnel Committee (“Committee”) Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution recommending that the Board (i) approve the annual report on the Board Policy on Diversity, Equity, and Inclusion (the “Policy”) for the period since the last annual review; (ii) find that LIPA has complied with the Policy; and (iii) approve certain amendments to the Policy, which resolution is attached hereto as “Exhibit A”.

Background

In June 2020, the Board adopted the Policy. The last annual report on the Policy was in August 2021.

The Policy provides that LIPA is “committed to a diverse, equitable, and inclusive environment that respects and values employees, customers, and stakeholders for the variety of their backgrounds and personal characteristics, including, but not limited to, ethnicity, gender, gender identity, marital status, national origin, physical ability, political affiliation, race, religion, sexual orientation, veteran status, life experience, talent, thinking style, or any other characteristic protected by law.”

Compliance with the Policy

LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has complied with the Policy since the last annual review. Compliance with each element of the Policy is set forth below.

The Policy provides that LIPA “will foster and promote a diverse, equitable, and inclusive workplace and society by:”

“attracting, retaining, and developing a diverse workforce representative of the electric customers we serve.”

- **LIPA’s Human Resources department’s recruiting efforts include posting job openings on diversity focused job boards including the New York State Department of Labor, the Professional Diversity Network, the National Forum for Black Public Administrators, and other sites as appropriate. Through the Professional Diversity Network, LIPA’s job are posted with the International Association of Women (IAW), which is one of the largest, most recognized networking organizations of professional women in the country, spanning more than 200 industries and professions; and other online employee recruitment platforms that leverage affinity groups to identify and recruit experienced and talented women, minorities, veterans, LGBTQ and disabled persons.**

“maintaining a positive, trusting, and inclusive workplace culture, through training and development and by considering these skills in our hiring and promotion practices.”

- **LIPA’s employees have access to LinkedIn Learning, Percipio Learning, and Cornerstone Learning Management System. These programs provide education, training and development courses related to diversity, equity, belonging and inclusion and can be accessed by or assigned to employees as part of their professional development.**
- **LIPA’s monthly staff meetings include a diversity, equity, inclusion and belonging highlight to embed these in our culture and reinforce our commitment to all employees. In 2022, we used many of our all-staff meetings to provide a common language for employees by defining what certain words mean at LIPA and describing the behaviors associate with each word. Words included equity, diversity, inclusion, belonging, and more.**
- **The employee newsletter reinforced the Diversity, Equity, and Inclusion (DE&I) message presented at the staff meeting.**

“utilizing annual employee engagement surveys and related initiatives to measure and advance our diversity, equity, and inclusion practices.”

- **LIPA’s engagement survey includes questions specifically related to DE&I. Employees are asked whether:**
 - **This organization encourages a climate in which diverse perspectives are valued.**
 - **I am encouraged to treat others with dignity and respect.**
 - **All employees are given a fair opportunity to succeed in this organization.**
 - **This organization values its employees.**
 - **People of all cultures, backgrounds, and identities are respected and valued at LIPA.**
 - **Diversity activities and learning opportunities offered by my organization have a positive impact on our culture.**
 - **My organization’s leadership demonstrates commitment to and support of diversity and inclusion.**
 - **I can bring my authentic self to work.**

- **Results of the engagement survey are shared with management and LIPA Staff and opportunities for improvement are identified.**

“overseeing the diversity, equity, and inclusion initiatives of LIPA’s service providers.”

- **PSEG Long Island conducted multiple DE&I events for their employees. These events included:**
 - **Cultural Awareness and Diversity Appreciation programs such as Diwali Cultural Celebration, Honoring our Veterans event, and Hispanic Heritage month activities.**
 - **PSEG Long Island encourage and supports employees to join any of their numerous Employee Business Resource Groups (EBRGs) . These are voluntary groups of employees that help shape and drive their diverse and inclusive culture. EBRGs help build meaningful relationships through initiatives like community outreach and volunteerism, mentorship, and professional development. In addition, PSEG Long Island’s EBRGs serve as a platform to elevate diverse perspectives and help support key business goals and priorities.**

“promoting the participation of minority, women-owned, and service-disabled veteran-owned businesses in procurements by LIPA and its service providers, consistent with Article 15-A of the Executive Law.”

- **PSEG Long Island increased its MWBE spend by 5% and continued to meet its 30% goal.**
- **The PSEG Long Island Supplier Diversity Team increased training for its procurement staff and provided informative sessions to its prime vendors and contractors. That team also hosted a virtual Supplier Diversity Procurement Fair in May of 2022 promoting a greater presence of MWBEs in our supply chain and procurement activities and attended and participated at several events in person and virtually including MWBE Expos, 2022 MWBE Forum, Competitive Edge Conference.**
- **PSEG Long Island established a proactive approach to connect MWBEs with internal decision makers and prime contractors.**
- **LIPA participated and accompanied PSEG Long Island in all outreach events listed above and served on the planning committee for the Competitive Edge Conference. Additionally, the Policy provides that “in furtherance of the CLCPA and ECL Art 48, LIPA will participate in the community-based planning efforts of the State’s Climate Action Council, and create, pursue, and promote opportunities for, and eliminate barriers to, the achievement of environmental and climate justice.”**
- **Throughout 2021 and 2022, the State’s Climate Action Council has been at work on the State’s Scoping Plan to reach the goals set by the CLCPA, including making major strides toward achieving environmental and climate justice in the transition to a**

decarbonized economy. LIPA's CEO holds a seat on the Council and LIPA's staff have been participating in State staff working groups developing specific chapters of the Scoping Plan. Upon release of the Draft Scoping Plan in December 2021, the working groups, which met on a monthly basis, supported the Council's outreach to a broad set of stakeholders and the public through public hearings and acceptance of comments on the Draft Scoping Plan, which lasted through the summer of 2022. In the Fall of 2022, LIPA staff continued to support the Council's efforts by incorporating the learning from public outreach into the final Scoping Plan, which was adopted in December 2022 as required by CLCPA.

- LIPA engages with its stakeholders through its Community Advisory Board (CAB), among other methods. LIPA's CAB was formed in 2017 to advise LIPA's Chief Executive Officer on issues of importance to the Authority and our Long Island and Rockaways community. The CAB represents a diverse range of perspectives and has 19 members, including experts in energy, education, business, economic development, government, and finance. Members are appointed by LIPA's CEO and participate in quarterly meetings, the last which was held in January 2023, that discuss regional issues, including energy efficiency, climate and green energy goals, and other topics important to members.
- Energy Efficiency and Renewables Advisory Committee: An advisory committee comprised of stakeholders not affiliated with PSEG Long Island or LIPA advise LIPA Staff on clean and renewable energy programs and hold periodic meetings to provide input and recommendations on demand reduction goals, beneficial electrification program goals, and renewable program goals established under applicable laws or various state initiatives.

Annual Review of the Policy

The Board hired Leading Resources, Inc. to review the Board policies and facilitate discussion amongst the Trustees on amending certain policies. A working group of Trustees participated in various meetings to develop and draft amendments to the Policy, including renaming the Policy to the Board Policy on Social and Environmental Justice. The draft amendments to the Policy have been shared with the entire Board. The final version of the amended Policy, as drafted by the Trustees, is attached hereto as Exhibit "B".

Recommendation

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

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RESOLUTION RECOMMENDING APPROVAL OF THE ANNUAL REPORT AND AMENDMENTS TO THE BOARD POLICY ON DIVERSITY AND INCLUSION

WHEREAS, the Board Policy on Diversity and Inclusion (the “Policy”) was originally approved by the Board of Trustees by Resolution No. 1542, dated June 24, 2020; and

WHEREAS, the Governance, Planning and Personnel Committee (the “Committee”) has conducted an annual review of the Policy and has recommended to the Board that the Board affirm that the Policy has been complied with and the changes to the Policy recommended herein are due and proper.

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

BE IT FURTHER RESOLVED, that consistent with the accompanying memorandum, the Committee hereby recommends that the Board approve the changes to the Policy that are reflected in Exhibit “B”.

Acting Chair Biondo stated that next item on the agenda is the Consideration of Recommendation to Approve Amendments on the Board Policy on the Purpose and Roles to be presented by Bobbi O’Connor.

Ms. O’Connor presented the following action items and took questions from the Trustees:

Requested Action

The Governance, Planning, and Personnel Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution recommending approval of amendments to the Board Policy on the Purpose and Roles (the “Policy”), which resolution is attached hereto as Exhibit “A.”

Background

By Resolution No. 1322, dated September 21, 2016, the Board adopted the Policy with the purpose of encapsulating and clarifying the duties and powers of the Board, LIPA’s Officers, LIPA’s Service Provider, and the Department of Public Service (“DPS”), as provided for by LIPA’s operating documents, statute or by contract obligations.

The Board hired Leading Resources, Inc. to review the Board's policies and to facilitate discussion amongst the Trustees on certain policies, including the Policy. A working group of Trustees participated in meetings to develop and draft amendments to the Policy. The amendments seek to clarify those roles and responsibilities, including references to the Second Amended and Restated Operations Services Agreement ("OSA") effective April 1, 2022. The amendments also tailor the Policy as it relates to the LIPA Board and LIPA's Officers by removing the references to the Service Provider and to DPS. The Service Provider's role is defined in the OSA, while DPS' role is defined by statute. The final version of the amended Policy, as drafted by the Trustees, is attached hereto as Exhibit "B."

Recommendation

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

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RESOLUTION RECOMMENDING APPROVAL OF AMENDMENTS TO THE BOARD POLICY ON THE PURPOSES AND ROLES OF LIPA TRUSTEES

WHEREAS, the Board Policy on Purposes and Roles (the "Policy") was originally approved by the Board of Trustees (the "Board") By Resolution No. 1322, dated September 21, 2016; and

WHEREAS, the Governance, Planning, and Personnel Committee (the "Committee") has reviewed the amended policy and affirms that the changes to the Policy described herein are due and proper.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Committee hereby recommends that the Board approve the amendments to the Policy as set forth in Exhibit "B."

Acting Chair Biondo stated that next item on the agenda is the Consideration of Recommendation to Approve the Annual Governance Package to be presented by Bobbi O'Connor.

Ms. O'Connor presented the following action items and took questions from the

Trustees:

Requested Action

The Governance, Planning, and Personnel Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Long Island Power Authority (the “LIPA”) is requested to adopt a resolution recommending that the Board approve the annual review of the Board Governance policies (i.e., procurement, lobbying, property disposition, real property acquisition, code of ethics and conduct, and Bylaws).

Board Policies Required by Law to be Reviewed Annually: Procurement and Property Disposition

In accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has adopted the Board Policy on Procurement and the Board Policy on Property Disposition. Section 2879(1) of the PAL requires that the procurement guidelines be annually reviewed and approved by LIPA. Additionally, Section 2896(1) of the PAL requires that the property disposition guidelines be annually reviewed and approved by LIPA. LIPA Staff recommends no changes to either the Board Policy on Property Disposition or the Board Policy on Procurement.

Recommendation

LIPA Staff has reviewed the other Board Governance policies, including the LIPA By-laws and Code of Ethics and Conduct and recommends no changes at this time. Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RESOLUTION RECOMMENDING APPROVAL OF THE ANNUAL REVIEW OF THE GOVERNANCE PACKAGE

WHEREAS, in accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has adopted the Board Policy on Procurement, the Board Policy on Property Disposition; and

WHEREAS, Section 2879(1) of the Public Authorities Law requires that the procurement guidelines be annually reviewed and approved by LIPA; and

WHEREAS, Section 2896(1) of the Public Authorities Law requires that the property disposition guidelines be annually reviewed and approved LIPA; and

WHEREAS, LIPA Staff recommends no changes to the Board's Governance policies including the procurement and property disposition guidelines.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the Public Authorities Law, the Governance, Planning, and Personnel Committee (the "Committee") hereby recommends that the Board approve the annual review of the Board Policy on Procurement and Board Policy on Property Disposition; and

BE IT FURTHER RESOLVED, the Committee hereby recommends that the Board approve the annual review of the Board's other governance policies as provided in the attached memorandum.

Acting Chair Biondo stated that the final item on the agenda is the Committee's Annual Self Report to the Board and Review of the Committee Charter to be presented by Bobbi O'Connor.

Ms. O'Connor presented the Committee's Annual Self Report to the Board and Review of the Committee Charter and then took questions from the Trustees.

Acting Chair Biondo then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 10:53 a.m.
