



CEO REPORT

May 10, 2023

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MAY BOARD MEETING AGENDA

FOR DISCUSSION

- CEO Report
- Evaluation of 2022 PSEG Long Island Performance Metrics
- Isaias Task Force Outage Management System Update
- Time-of-Day Transition Update
- PSEG Long Island Operating Report*
- Summer Preparation of Power Supply and T&D*
- Overview of Financial Results*
- Discussion of Internal Audit Activities*
- Review of Quarterly Financials Ended March 30*

FOR APPROVAL

- Annual Report and Amendments to the Board Policy on Audit Relationships**
- Selection of Firms to Provide Legal Services**
- Letter of Credit Providers**
- Board Policy on Fiscal Sustainability
- Board Policy on Customer Value, Affordability, and Rate Design
- Board Policy on Clean Energy and Power Supply

*Item discussed at committee meetings

**Consent agenda

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LEGISLATIVE COMMISSION REPORT

BACKGROUND

- New York State's 2022 Budget authorized the **Legislative Commission on the Future of LIPA** to evaluate the establishment of a full public power model on Long Island and in the Rockaways, made up of eight state legislators
- **Five public hearings** were held by the Commission throughout LIPA's service territory in November 2022 to January 2023, as well as meetings of the Advisory Committee
- The Commission issued its **draft report** ([link](#)) on April 17, 2023, laying out the steps necessary to achieve “full public power” following the expiration of PSEG Long Island’s contract in 2025
- The draft report found that **LIPA can save between \$50 million and \$80 million a year** by operating its electric grid itself
- LIPA has conducted its own studies on the public power model, most recently in 2021, that found similar benefits ([link](#))



Legislative Commission on the
Future of the
Long Island Power Authority

New York State Legislative Commission
on the Future of the
Long Island Power Authority

DRAFT REPORT ON ESTABLISHMENT OF A PUBLIC POWER
MODEL FOR THE OPERATION OF THE LONG ISLAND
POWER AUTHORITY (LIPA)

April 17, 2023

Commissioners
Senator Kevin Thomas, Co-Chair
Assembly Member Fred W. Thiele, Jr., Co-Chair
Senator James Sanders, Jr.
Senator Monica R. Martinez
Senator Anthony H. Palumbo
Assembly Member Stacey Pheffer Amato
Assembly Member Michaela C. Solages
Assembly Member Doug Smith

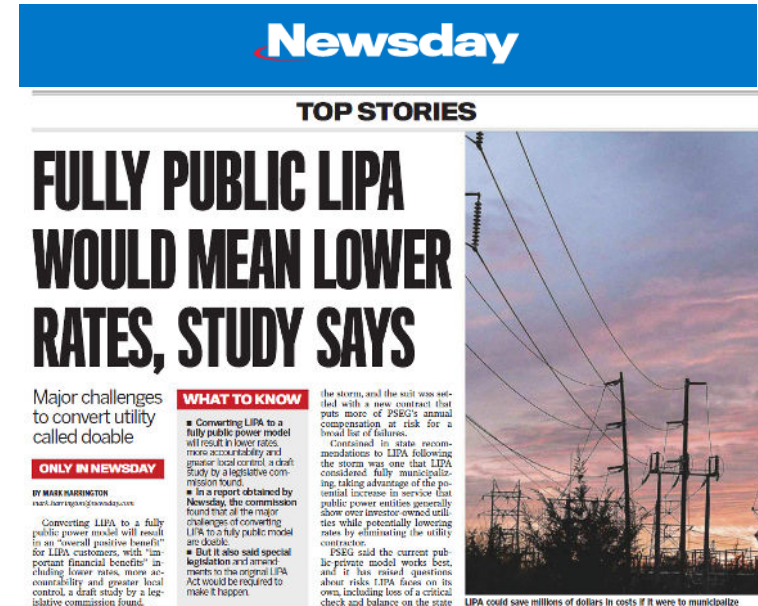
Executive Director
Hon. Rory Lancman

[Draft Report](#)

DRAFT REPORT KEY TAKEAWAYS

Among the key findings of the Legislative Commission's draft report:

- A fully public LIPA represents the best alternative due to increased transparency and accountability compared to the service provider model
- Additional legislation is necessary to clarify the status of 2,500 subsidiary (ServCo) employees' employment and transition their retirement plans
- Governance will likely be a key topic of upcoming public hearings
 - The draft report indicates LIPA should likely still be governed by an appointed board; structure and terms remain an open issue

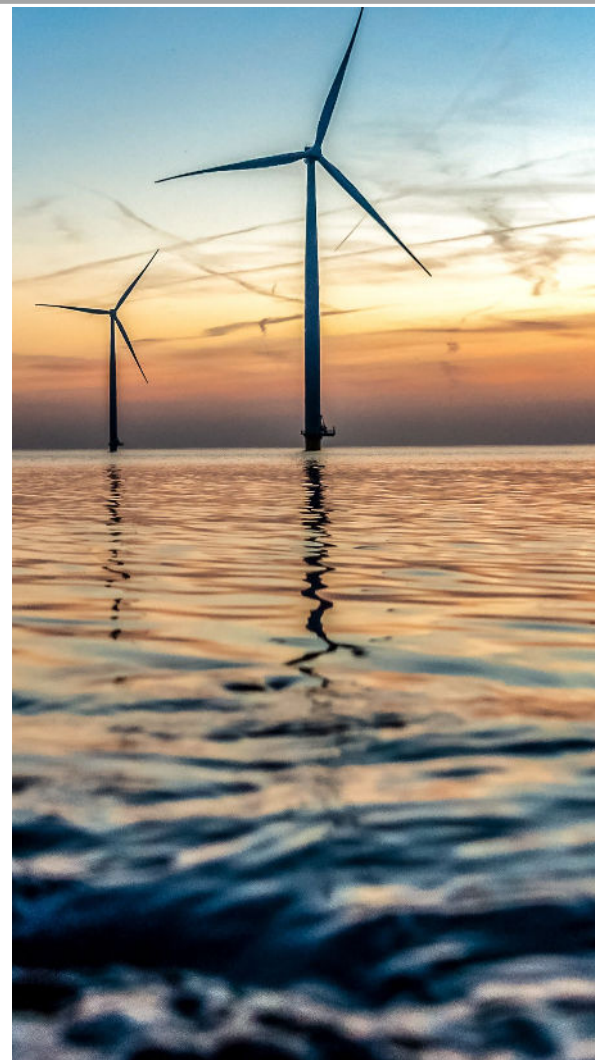


April 17, 2023

MANAGEMENT MODEL DECISIONS IN 2023

PSEG Long Island management contract expires at the end of 2025

- Over the next year, the Governor, State Legislature, and LIPA Board of Trustees will make significant decisions about LIPA's management model
- If the public model is not pursued by the Governor and legislature, LIPA will begin to rebid the PSEG Long Island contract in 2023
 - The Office of the State Comptroller (OSC) stated as part of approving the reformed PSEG Long Island contract in April 2022 that it will not consider an extension of the PSEG Long Island contract without a competitive bidding process
 - Bid for new contractors would **need to start in 2023** to allow time to select vendor(s) and transition to the new vendor



NEXT STEPS

- The Commission will hold additional hearings to discuss findings with customers and stakeholders
- Following the next round of public hearings, a final report will be issued
- The State Comptroller must review and provide feedback
- The New York State Legislature must pass legislation to implement changes to the management model detailed in the report
- Any legislation must be signed by the Governor before taking effect



UPCOMING DATES

MAY 2023

PUBLIC HEARINGS ON
DRAFT REPORT

MAY 2023

FINAL REPORT
ISSUED

JUNE 8, 2023

SCHEDULED END DATE
OF NYS LEGISLATIVE
SESSION

DECEMBER 31, 2025

PSEG LONG ISLAND
CONTRACT EXPIRES

NYS FY 2024 BUDGET

NEW YORK STATE'S FY 2024 BUDGET HIGHLIGHTS

Relevant highlights of New York's FY 2024 Budget include:

- **Building Decarbonization** - requirements for advancing zero emission construction in new buildings under seven stories by December 31, 2025 and all other new buildings by the end of 2028
 - Exemptions for emergency backup and standby power, large commercial buildings, industrial manufacturing facilities, commercial food establishments, laboratories, car washes, laundromats, hospitals, crematoriums, agricultural buildings, and critical infrastructure
- **Affordability** - \$400 million to provide relief to New Yorkers experiencing high electric bills and for electrifications and retrofits:
 - \$200 million will provide relief to New Yorkers who are experiencing high electric bills
 - \$200 million for NYSERDA's EmPower Plus home retrofits program



FEMA AWARD

FEMA AWARD

- In April 2023, LIPA was awarded an additional **\$3.5 million** to harden 3 transmission crossings
- 90% matching grant, with LIPA contributing \$350,977
- The crossings are:
 - Circuit 69-566 - Bellmore-Massapequa crossing the Seaford Oyster Bay Expressway at Clark Street
 - Circuit 69-566 - Bellmore-Massapequa crossing the Wantagh Parkway at Park Street
 - Circuit 69-673 - Nesconset-Holbrook Crossing Route 347 at Gibbs Pond Road
- LIPA continues to pursue federal funding opportunities available to it as a public power utility with **\$650 million** of applications pending



FEMA



COMMUNITY ENGAGEMENT

LIPA COMMUNITY ENGAGEMENT

- LIPA's Michael Deering recently organized a fundraising event at the Jones Beach Energy and Nature Center to benefit **Long Island Cares**, where he has been a board member of for over ten years
- The event **raised \$20,000** for the organization to help achieve its vision for a hunger-free Long Island
- Members of the LIPA team were in attendance to show their support
- LIPA staff and leadership are encouraged to take part in community organizations, with many serving on local boards



Discussion

Questions?