

**LONG ISLAND POWER AUTHORITY**

**MINUTES OF THE 315th MEETING**

**HELD ON MAY 10, 2023**

*The Long Island Power Authority (“LIPA”) was convened for the three hundred and fifteenth time at 11:34 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on May 5, 2023, and electronic notice posted on the LIPA’s website.*

*The following LIPA Trustees were present (all in-person):*

**Mark Fischl, Acting Chair  
Elkan Abramowitz  
Valerie Anderson Campbell  
Sheldon Cohen  
Nancy Goroff  
Laureen Harris  
Dominick Macchia  
Mili Makhijani**

**Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, General Counsel & Board Secretary; Mujib Lodhi, Chief Operating Officer; Billy Raley, Senior Vice President of Transmission & Distribution; Rick Shansky, Senior Vice President Power Supply and Wholesale Markets; Donna Mongiardo, Vice President-Controller; Carolyn MacKool, Director of Customer Experience; John Little, Finance Senior Advisor; Jen Hayen, Director of Communications; and Andrew Berger, Senior Communications Specialist. Participating via video conferencing were Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board; and Osman Ahmad, IT-Consultant.**

*Acting Chair Fischl welcomed everyone to the 315th meeting of the Long Island Power Authority Board of Trustees.*

*Acting Chair Fischl stated that the first item on the agenda was the Consideration of the Consent Agenda Items.*

*After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously adopted by the Trustees based on the memoranda summarized below<sup>1</sup>:*

**1792. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 29, 2023 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY**

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**RESOLVED**, that the Minutes of the meeting of the Authority held on March 29, 2023 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

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**Requested Action**

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution, attached hereto as Exhibit “A”, authorizing the Chief Executive Officer, or his designee, to engage firms to provide legal services in the areas described below, on an as needed basis for LIPA and its subsidiary, the Long Island Lighting Company d/b/a LIPA for a term not to exceed five years.

**Background**

To supplement its in-house resources, LIPA has found it necessary to engage law firms to provide various legal services and expertise on an as-needed basis. As LIPA’s needs continue, and certain of its existing contracts for legal services expire, it is necessary to obtain new, additional and/or replacement legal services to ensure that LIPA has adequate and continuous advice, assistance, and representation in its numerous existing and upcoming projects, initiatives, and cases.

On February 14, 2023, LIPA issued a Request for Proposals (“RFP”) seeking experienced law firms to provide legal services to LIPA for a period of up to five years in the following scope areas:

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<sup>1</sup> Trustee Abramowitz abstained from voting on the Consideration of Approval of Letter of Credit Providers

1. Real Estate
2. General Litigation
3. Corporate and Securities
4. Complex Litigation
5. State Regulatory
6. Wholesale Energy Markets; and
7. Banking

The RFP was distributed to 13 firms. The RFP was also posted on LIPA's website and in the New York State Contract Reporter. 13 firms responded to the RFP, some in multiple practice areas. The proposals were evaluated by teams of LIPA technical staff for each scope under the guidance of LIPA's Legal and Procurement departments.

### **Discussion**

The 13 proposals were evaluated according to the guidelines set forth in the RFP, which included assessments of the firms' experience and qualifications, their hourly rates, proposed changes to LIPA's standard consulting contract, and their proposals to comply with state requirements for participation by minority and women-owned business enterprises. Based on the evaluation, LIPA Staff recommends that the following firms be awarded contracts in the scopes indicated:

	Scope Area	Selected Firms
1	Real Estate	Farrell Fritz PC, Rivkin Radler LLP
2	General Litigation	Krez & Flores*, Aaronson Rappaport Feinstein & Deutsch, Rivkin Radler
3	Corporate and Securities	Whiteman Osterman & Hanna LLP, Rivkin Radler LLP, Holland & Knight
4	Complex Litigation	Whiteman Osterman & Hanna LLP, Rivkin Radler LLP, Holland & Knight
5	State Regulatory	Read & Laniado LLP, Whiteman Osterman & Hanna LLP
6	Wholesale Energy Markets	Stinson LLP, Van Ness Feldman LLP
7	Banking	Holland & Knight

\*Krez & Flores is a minority-owned business enterprise.

The hourly rates proposed by the firms have been determined to be reasonable and reflect discounts from current market rates for the services to be provided.

### **Recommendation**

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

## **1793. RESOLUTION AUTHORIZING THE ENGAGEMENT OF FIRMS TO LEGAL SERVICES**

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**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage the firms so designated in the accompanying memorandum to provide legal services, in the areas described, on an as-needed basis for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, “LIPA”) for a term not to exceed five years from the date of approval of the contracts with each firm by the New York State Office of the State Comptroller.

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### **Requested Action**

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution authorizing the replacement of the Letter of Credit (“LOC”) facility issued by Bank of America, N.A. (“Bank of America”) supporting its outstanding General Revenue Notes, Series 2015 GR-3 (the “GR-3 Notes”) and the execution of a new reimbursement agreement in connection therewith.

### **Background**

LIPA desires to maintain its overall liquidity levels, which are currently comprised of cash on hand, its revolving facility, and the General Revenue Notes (the “GR Notes”) program. LIPA has a need to manage its varying cash flows from its seasonal business, provide for working capital, and provide extra financial support for unexpected events such as major storms.

LIPA has an LOC facility issued by Bank of America supporting its outstanding GR-3 Notes, which expires on September 29, 2023.

LIPA issued a Request for Proposal for Letter of Credit Facilities (the “Bank Facility RFP”). A selection committee consisting of LIPA Staff, with the assistance of LIPA’s financial advisor, reviewed the responses and selected the proposal submitted by Bank of America, N.A. (“Bank of America”) as the winning response based on cost and terms. LIPA will enter into an extension of the existing reimbursement agreement or a new reimbursement agreement with Bank of America, which agreement will be substantially similar to the existing agreement between the parties. The extension or new agreement will require the execution of new offering memorandums or other disclosure documents and other instruments.

### **Recommendation**

Based upon the foregoing and the recommendation of the Finance and Audit Committee, I recommend that the Trustees adopt the attached resolution.

**1794. RESOLUTION APPROVING THE SELECTION OF A CERTAIN BANK  
AND APPROVING CERTAIN RELATED AGREEMENTS**

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**WHEREAS, on May 13, 1998, the Long Island Power Authority (the “Authority”) adopted its Electric System General Revenue Bond Resolution (the “General Resolution”), which authorizes bonds, notes or other evidences of indebtedness of the Authority as special obligations of the Authority for any lawful purpose of the Authority; and**

**WHEREAS, the Authority has issued a Request for Proposal for Letter of Credit Facilities (the “Bank Facilities RFP”) requesting proposals from a number of banks to enter into one or more credit facilities or to issue letters of credit in support of its outstanding Electric System General Revenue Notes, Series 2015 GR-3 (the “GR-3 Notes”), and the staff selection committee has reviewed the responses and selected the proposal submitted by Bank of America, N.A. as the winning response (such proposal being referred to hereinafter as the “Selected Proposal” and Bank of America, N.A. referred to hereinafter as a “Selected Bank”);**

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

- 1. The Trustees hereby approve the Selected Proposal, and the Chief Executive Officer, Chief Financial Officer, Vice President-Controller and Secretary (the “Authorized Officers”) are each hereby authorized to enter into an extension of the existing reimbursement agreement or a new reimbursement or other agreement, with the Selected Bank in connection with the Revenue Notes, which agreement shall be substantially similar to the existing agreement with the Selected Bank, with such changes and additions to and omissions from such prior agreements as such authorized executing officer deems in his discretion to be necessary or appropriate, such execution to be conclusive evidence of such approval.**
- 2. Each Authorized Officer is hereby authorized and directed to execute and deliver any and all documents, including, but not limited to, the execution and delivery of one or more offering memorandums or other disclosure documents, Issuing and Paying Agency Agreements, Dealer Agreements, and other instruments, and to do any and all acts necessary or proper for carrying out and implementing this resolution and each of the documents authorized hereby, and each Authorized Officer shall be an Authorized Representative (as defined in the General Resolution) in connection with such matters.**
- 3. This resolution shall take effect immediately.**

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*Acting Chair Fischl stated that the next item on the agenda was the Chief Executive Officer’s Report to be presented by Thomas Falcone.*

*Mr. Falcone presented the Chief Executive Officer's Report and took questions from the Trustees.*

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*Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of the Annual Report on the Board Policy on Fiscal Sustainability to be presented by Donna Mongiardo.*

*After requesting a motion on the matter, which was seconded, Ms. Mongiardo presented the following action item and took questions from the Trustees.*

### **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 Fiscal Sustainability (the "Policy") and approving the annual report for the Policy, which resolution is attached as Exhibit "A".

### **Background**

In September 2016, the Board adopted the Policy, previously known as the Board Policy on Debt and Access to the Credit Markets, with the purpose of serving the long-term interests of LIPA's customers by adopting sound financial plans each year. Sound financial plans ensure ready access to borrowing on reasonable terms necessary to fund the infrastructure investments that maintain the reliability and resiliency of the Long Island electric system. Such financial plans contemplate prudent levels of borrowing that will accommodate efficient access to the capital markets and thereby minimize the long-term cost of providing electric service to LIPA's customer-owners.

The last annual report to the Board was presented in March 2022. After the March 2022 meeting, a working group of Trustees, together with the Board's governance consultant Leading Resources, Inc., participated in various meetings to develop and draft amendments to the Policy.

In September 2022, the Board adopted amendments to the Policy, including renaming the Policy to the Board Policy on Fiscal Sustainability consistent with the Board's Purpose and Vision.

### **Compliance with the Policy**

**LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has complied with the Policy for the period since the last annual review. The Policy provides that “LIPA’s vision for fiscal sustainability is to meet the Board’s policy goals to provide clean, reliable, and affordable energy through strategies that prudently manage and safeguard LIPA’s assets and result in the lowest long-term cost to customers. To achieve our vision for fiscal sustainability, LIPA will:**

**“Decrease LIPA’s leverage and cost of capital by:”**

- **“Achieving AA-category credit ratings via reducing LIPA’s debt-to-assets ratio from 92 percent to 70 percent or less by 2030.”**
  - **In 2022, LIPA’s three ratings were reaffirmed at A2, A, A, from Moody’s, S&P Global, and Fitch Ratings, respectively. Fitch maintained a “positive” outlook to its rating.**
  - **New debt as a percentage of capital spending for the three-year rolling average for the period ended December 31, 2022 was approximately 66%. By limiting new borrowing while paying down existing debt and fixed obligations (i.e. leases), LIPA remains on path to achieve the Board’s stated objective of a debt-to-asset ratio of 70 percent or less by 2030.**
- **“maximizing grants and low-cost funding sources; minimizing costs through securitization of debt and tax-exempt financing.”**
  - **LIPA received approximately \$276 million from the Federal Emergency Management Administration (“FEMA”) for reimbursement of costs associated with repairs to its transmission and distribution (“T&D”) system that were damaged as a result of Tropical Storm Isaias.**
  - **LIPA received \$7.6 million from FEMA for reimbursement of costs associated with damage to the T&D system from Hurricane Ida.**
  - **LIPA was awarded a competitive grant by FEMA under the Tropical Storm Isaias disaster declaration to fund a \$3.5 million project to harden three transmission expressway crossings.**
  - **LIPA submitted to FEMA proposals totaling approximately \$426 million seeking mitigation funding to storm harden its T&D system as provided for under the Tropical Storm Isaias disaster declaration. The application remains pending.**
  - **LIPA submitted to the Department of Energy (“DOE”) a proposal seeking a federal grant for \$250 million towards \$500 million of T&D investments to enhance interconnection capacity for Distributed Energy Resources. LIPA was notified on February 24 of an initial determination of support by DOE and invited to submit a full grant application in May 2023.**
  - **LIPA partnered with Stony Brook University to apply for a \$20 million DOE grant related to the implementation of certain projects in LIPA’s 5-year Strategic Roadmap.**
  - **The Utility Debt Securitization Authority (“UDSA”), LIPA’s component unit, issued approximately \$841 million to refund LIPA and UDSA outstanding indebtedness through the issuance of securitization bonds generating net**

present value savings of \$42 million. In addition, UDSA issued its first Green Bonds totaling \$95 million to support LIPA's resiliency investments.

- **“pre-funding long-term liabilities on an actuarially sound basis including (1) pension costs, (2) Other Post-Employment Benefits (“OPEBs”); and (3) the Nuclear Decommissioning Trust Fund.”**
  - As measured by an actuarial services firm, during 2022, LIPA funded \$30 million to the PSEG Long Island pension plan trust account. As of December 31, 2022, the PSEG Long Island pension plan trust account had assets valued at \$370 million compared to a benefit obligation of \$452 million.
  - LIPA funded \$36.3 million to the LIPA OPEB account in 2022. LIPA's OPEB account, to prefund the OPEB benefits of PSEG Long Island employees, had assets valued at \$523 million compared to a benefit obligation of \$455 million. The funding levels have been reviewed by an actuarial services firm within the last two years.
  - The LIPA OPEB Trust for LIPA employees had assets valued at \$25 million compared to benefit obligations of \$24 million.
  - The NMP2 Nuclear Decommissioning Trust Funds (NDTF) had assets valued at \$155 million compared to a liability of \$102 million. LIPA funded \$0.3 million to the NDTF in 2022. The NDTF funding levels have been reviewed by an actuarial services firm within the last two years.
- **“maintaining fixed-obligation coverage ratios of no less than 1.40x on LIPA-issued debt and lease payments, and 1.20x on the combination of LIPA-issued debt, UDSA-issued debt, and lease payments.”**
  - For the period ended December 31, 2022, LIPA achieved coverage ratios of 1.45x for LIPA-issued debt and lease payments and 1.29x for LIPA and UDSA-issued debt and lease payments.
  - The 2023 Budget is set to meet a 1.40x fixed-obligation coverage ratio.
- **“minimizing LIPA's need for coverage while maintaining fiscal sustainability by budgeting reasonable amounts and using reconciliation mechanisms for hard-to-predict cost categories (e.g. storms).”**
  - LIPA's Revenue Decoupling Mechanism (“RDM”) ensures that only LIPA's budgeted and Board-approved revenues for delivery service are collected from customers in each customer class by comparing actual revenues with authorized revenues. The RDM credits (or collects) any differences to (or from) customers in the following year. For 2022, LIPA's residential customers will be provided a credit of \$65 million in 2023 rates, and its commercial customers will be charged \$12 million.
  - LIPA's Delivery Service Adjustment (“DSA”) provides cost recovery or refunding of overcollection for certain items that vary due to external factors, including debt service, storm restoration expenditures, non-storm emergency costs, bad debt expense, and PSEG Long Island pension and OPEBs. For 2022, LIPA's customers will be provided a credit of \$2 million in 2023 rates.



- “Maintain cash on hand and available credit sufficient to fund business operations in emergencies, as measured by month-end balances of at least: (i) \$100 million in the Operating Fund and \$150 million in the Rate Stabilization Fund, and (ii) 150 days of operating expenses.”
  - Cash on hand at the end of each month exceeded the target of \$100 million in the Operating Fund and \$150 million in the Rate Stabilization Fund. As of December 31, 2022, the Operating and the Rate Stabilization funds totaled \$296 million and \$157 million, respectively.
  - During 2022, cash on hand and available credit exceeded the target of at least 150 days available for operating expenses. As of December 31, 2022, 309 days of operating expenses were available in cash and credit.
- “Develop budgets and financial plans that maximize customer value and aggressively manage costs.”
  - LIPA’s 2023 Budget sets rates and charges to provide clean, reliable, and affordable energy through strategies that prudently manage and safeguard LIPA’s assets and result in the lowest long-term cost to customers. LIPA’s 2023 Budget was approved in December 2022.
  - Pursuant to the Strategic Roadmap (link) approved by the Board in March 2023, LIPA is establishing a business process optimization practice to systematically look for continuous improvement opportunities. Several projects were undertaken in the LIPA’s Work Plan and Performance Metrics to enhance operations and financial reporting that will assist in assuring value for customers’ money, as detailed in those documents.
  - Within the 2023 Budget, nearly \$1.1 billion of ongoing cost savings equals 26 percent of electric bills, or about \$46 per month for a typical residential customer.

These savings include:

Operating Lean	\$ Millions
Discontinued investments in combined cycle plants	\$353
LIPA Reform Act 2% Tax Cap	\$340
Commodity Hedging (based on current prices)	\$147
Renegotiating expiring power purchase agreements	\$49
Smart Meter savings	\$45
Power plant property tax savings	\$40
Refinancing existing debt	\$40
Investing in cost-effective energy efficiency	\$22
Reduction to wholesale market and off-island transmission	\$16
Operating savings and improved productivity	\$13
Power supply pension and retirement savings	\$8
<b>TOTAL</b>	<b>\$1,073 MILLION</b>

- **“Provide operating managers with financial reporting that drives sound business decisions and the best use of limited resources.”**
  - Monthly, LIPA’s financial reporting managers provide analysis of budgeted costs versus actual spending to LIPA’s operating departments to aid in their analysis of PSEG Long Island’s resource management, ensuring the most cost-effective and efficient processes are utilized. Significant variations are identified and investigated timely.
  - Pursuant to the Strategic Roadmap (link) approved by the Board in March 2023, LIPA will be further enhancing budgeting and reporting by strengthening processes for Capital Project review and approval; enhancing both LIPA and PSEG Long Island’s financial analysis and fiscal management capabilities; and establishing integrated operational and financial performance reporting framework, among other items.
- **“Provide LIPA’s customers and investors with timely, transparent, accurate, and useful information to evaluate LIPA’s financial performance and plans.”**
  - LIPA’s annual Budget (link) was approved by LIPA’s Board on December 14, 2022, and made available on LIPA’s website. The Budget includes a letter from LIPA’s CEO that explains major initiatives and expenditures for the prior year and coming year in plain English and the main drivers of the budget and electric rates.
  - LIPA’s annual audited Financial Statements (link) were approved by LIPA’s Board on March 29, 2023, and made available on LIPA’s website and the Electronic Municipal Market Access (“EMMA”) platform for bondholders.
  - LIPA undertakes substantial quarterly and annual reporting obligations to make available its plans and evaluate its performance relative to plan, including the Strategic Plan (link), Work Plans (link), Performance Metrics (link), and Quarterly and Annual Performance Reports (link), among other items.
  - LIPA maintains Fact Sheets and videos on topics of significant interest to the public (e.g. Time of Day Rates (link), the clean energy transition (link)) to explain the topics in plain English.
  - LIPA’s Transparency Plan (link) summarizes other initiatives to make its operations and decisions transparent to customers, investors, and stakeholders.

### **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. One such enterprise risk is related to liquidity.

Specifically, the risk identified is, “Insufficient liquidity to cover obligations greater than 60 days (i.e., loss of revenue stream) results in the inability to make debt service payments, pay UDSA Bondholders, and cover operating expenses.”

This risk is rated as a medium-level risk and is mitigated by LIPA's ability to access capital markets, borrow from rate stabilization funds, a revolving line of credit or in the commercial paper market. In August 2022 all three rating agencies reaffirmed their credit ratings for LIPA helping to further mitigate this risk by providing confidence in LIPA's ability to access capital markets.

Based on the credit ratings and the ability to access capital markets, we believe this risk is being adequately managed. LIPA's liquidity remains strong, well above the 150-day minimum required by the Policy as noted above.

#### Annual Review of the Policy

LIPA Staff has reviewed the Policy and suggests no amendments at this time.

#### Recommendation

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

*After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees:*

#### **1795. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON FISCAL SUSTAINABILITY**

WHEREAS, the Board Policy on Fiscal Sustainability (the "Policy"), previously known as the Debt and Access to the Credit Markets, was originally approved by the Board of Trustees by Resolution No. 1319, dated September 21, 2016; and

WHEREAS, the last annual report to the Board was presented in March 2022; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

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

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*Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of the Annual Report on the Board Policy on Customer Value, Affordability and Rate Design to be presented by John Little.*

*After requesting a motion on the matter, which was seconded, Mr. Little presented the following action item and took questions from the Trustees.*

### **Requested Action**

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

### **Background**

By Resolution No. 1318, dated September 21, 2016, the Board adopted the Policy. The purpose of the Policy is to set reasonable objectives for LIPA’s electric rates and rate design and to review LIPA’s electric rates relative to other similar regional utilities each year. The Board conducts an annual review of the Policy and considers as part of its review whether LIPA has remained in compliance with the Policy and whether any updates or revisions should be made to the Policy. The Policy was last reviewed and amended by the Board in May 2022.

### **Compliance with the Policy**

LIPA Staff has determined, for the reasons set forth below, that LIPA has remained in compliance with the objectives of the Policy for the period since the last annual review. The Policy provides that: *“LIPA’s vision for customer value and affordability is to maintain competitive electric rates compared to other regional utilities while transitioning to a zero-carbon electric grid, achieving industry-leading reliability, resiliency, and customer experience, and meeting the energy needs of low-income customers. Our vision for rate design is to provide customers with fair electric rates that are as simple as possible and that include opportunities for customers to save money.”*

*“To achieve our vision for customer value, LIPA will”:*

- **“Prioritize investments for our customers to balance cost and service quality, as demonstrated in the Strategic Roadmaps and Budgets reviewed and approved by the Board.”**

- The Strategic Plan (link) approved by the Board in March 2023 identified the key initiatives that will advance the Board’s policy objectives for clean, reliable, affordable, customer-first energy over the next five years.
- The 2022 and 2023 Work Plan (link) and Performance Metrics (link) identified the actions and the resulting level of performance needed to achieve the Board’s objectives.
- The 2023 Budget (link) identified \$1,073 million in projected savings from actions taken to operate lean, balancing cost, and service to achieve the most out of every dollar.

Operating Lean	\$ Millions
Discontinued investments in combined cycle plants	\$353
LIPA Reform Act 2% Tax Cap	\$340
Commodity Hedging (based on current prices)	\$147
Renegotiating expiring power purchase agreements	\$49
Smart Meter savings	\$45
Power plant property tax savings	\$40
Refinancing existing debt	\$40
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Reduction to wholesale market and off-island transmission	\$16
Operating savings and improved productivity	\$13
Power supply pension and retirement savings	\$8
<b>TOTAL</b>	<b>\$1,073 MILLION</b>

- “Communicate the benefits and cost drivers of any rate increases to customers.”
  - The 2023 Budget (link) includes a plain English description of initiatives and cost drivers that provided maximum readability and understanding by the public. The budget proposal was covered by the local print media and several broadcast news organizations leading up to public comment hearings in both counties as required by the LIPA Act. Fact sheets were also provided on the LIPA website that communicated rate opportunities related to:
    - Residential Time of Day Rates.
    - COVID-19 Bill Credit (arrears forgiveness) Program.
    - Customer Benefit Contribution Charge.
    - Long Island Choice and Community Choice Aggregation.
    - Distributed Solar Generation.
    - Fact Sheets were also provided on topics of general interest including efforts to reduce the property tax burdens on LIPA’s rates, and efforts to achieve LIPA’s goals for clean energy and manage costs.

- All LIPA Fact Sheets are located on the LIPA website at this link.
- “Maximize the value to customers of our not-for-profit public power business model by using our tax-exempt cost of capital and eligibility for federal and state grants to reduce costs for customers.”
  - Since 2011, LIPA has obtained approximately \$1.8 billion in Federal grants that reduced the financial impact of storms on customers and funded extensive capital improvements that increased the resiliency of LIPA’s electric grid.
  - LIPA applied for \$650+ million of new FEMA storm hardening and Department of Energy grants in 2022 and 2023.
  - Customers also continue to benefit from LIPA’s status as a public power authority with access to tax exempt debt, exemption from Federal and State income taxes, and no requirement to earn profits or pay dividends to any shareholders. The ongoing annual benefits of LIPA’s public power status is estimated to be over \$500 million a year compared to Consolidated Edison of New York, the adjacent investor-owned utility that is regulated by the New York Public Service Commission. As an investor-owned utility under NY PSC regulation, LIPA would have charged its customers \$415 million for shareholder profits and \$147 million in income taxes on those profits. LIPA’s lower cost of tax-exempt debt saved customers \$395 million compared to the regulated utilities in New York. LIPA’s lower cost of debt saved an additional \$109 million compared to the taxable debt available to the regulated utilities.

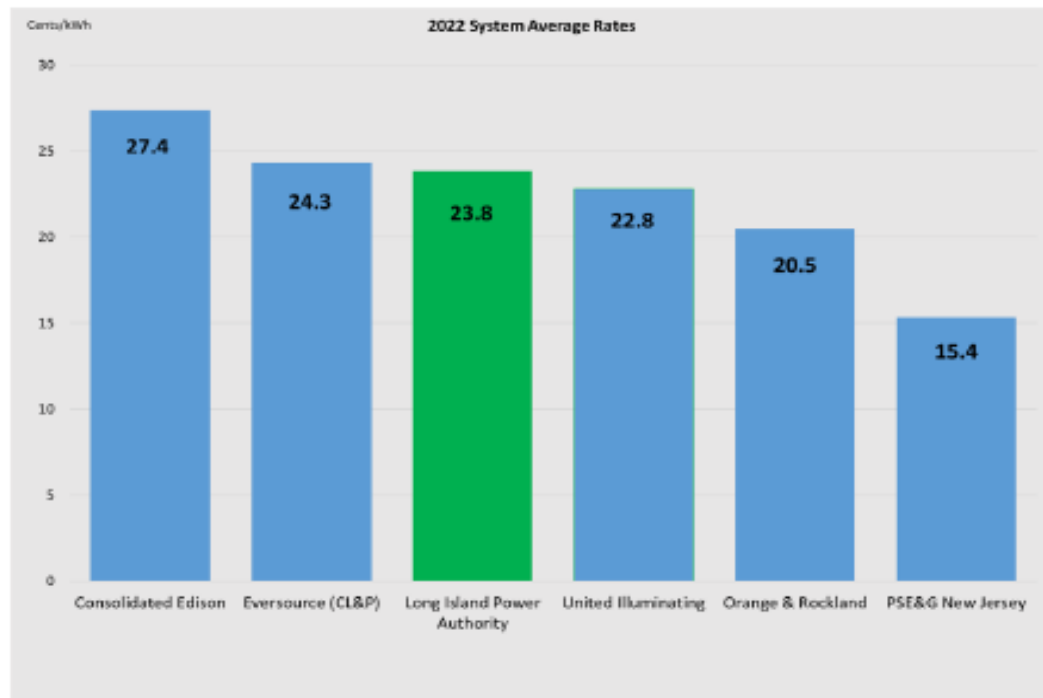
	IOU		PSC		LIPA	LIPA
Rate Base Summary	Capital	Rate	Allowed	IOU	Interest	Annual
<u>2023 Approved Budget</u>	<u>Structure</u>	<u>Base</u>	<u>Rate</u>	<u>Cost</u>	<u>Expense</u>	<u>Savings</u>
Shareholder Equity	48.0%	\$4,711 M	8.80%	\$415 M	\$167 M	\$248 M
<u>Income Taxes at 26.1%</u>			<u>3.11%</u>	<u>\$147 M</u>	<u>\$0 M</u>	<u>\$147 M</u>
Shareholder Profit (pre-tax)	48.0%	\$4,711 M	11.91%	\$561 M	\$167 M	\$395 M
Long Term Debt	50.9%	\$4,996 M	5.75%	\$287 M	\$178 M	\$109 M
<u>Customer Deposits</u>	<u>1.1%</u>	<u>\$107 M</u>	<u>2.45%</u>	<u>\$3 M</u>	<u>\$3 M</u>	<u>\$0 M</u>
Total Interest Expense	52.0%	\$5,103 M	5.68%	\$290 M	\$181 M	\$109 M
Total Cost of Capital	100.0%	\$9,814 M	8.67%	\$851 M	\$347 M	\$504 M

*“To achieve our vision for affordability, LIPA will:”*

- “Maintain competitive electric rates, as compared to the system average rates of those regional electric utilities that most closely resemble the costs, electric supply, and policy goals of our service territory.”
  - In December 2022, the Board of Trustees adopted the 2023 Budget and Rate Update, which implemented an annual budget and rate update at the lowest level consistent with sound fiscal and operating practices, as those practices

are defined by Board Policy and within the statutory threshold provided in the Public Authorities Law.

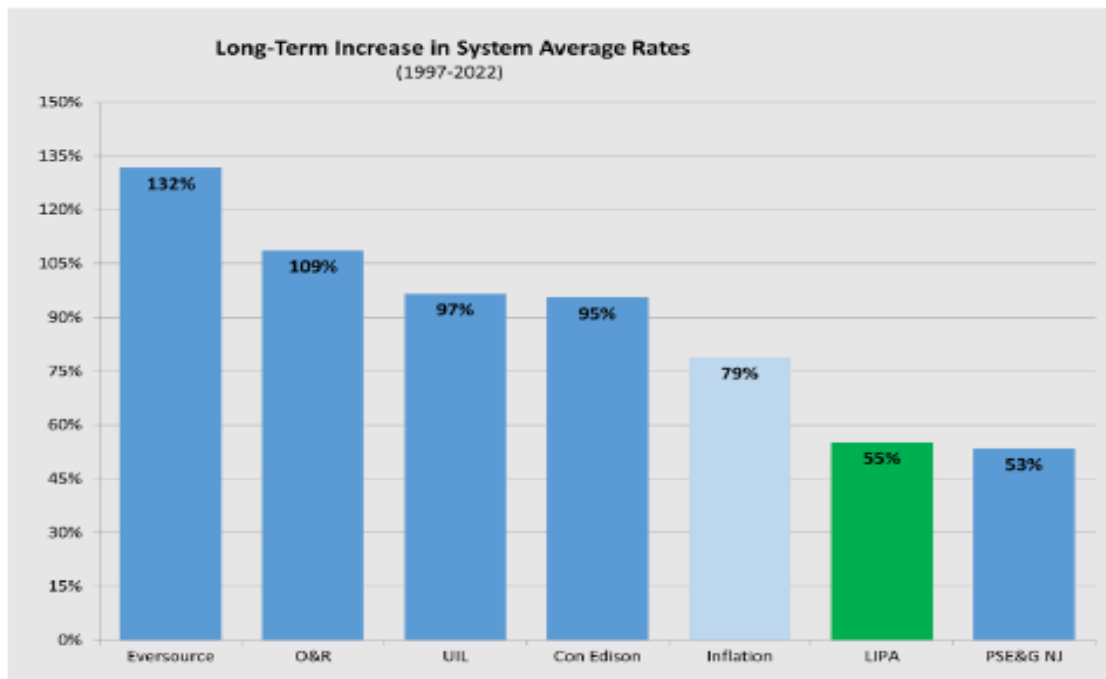
- LIPA's system's average electric rate was 23.8 cents in 2022. Compared to the other five major regional utilities listed in the Policy that surround LIPA's service territory, LIPA's system's average rate is 13% below the highest priced regional utility. The system's average electric rates of the regional utilities ranged from 15.4 cents (PSE&G New Jersey) to 27.4 cents (Con Edison), as shown in the following figure:



- If LIPA's taxes, which comprise 19% of the bill, were equivalent to the national average of 6% of the bill, LIPA's 2022 system average rate would have been 20.5 cents rather than 23.8 cents.
- The New York City metro area has above average labor, land, tax, and commodity costs and highly seasonal weather patterns (i.e., electricity is used for cooling in the summer while other fuels are used for heating in the winter). This causes the New York metro area to have per kilowatt-hour electric rates that are above the national average. For example, the national system average retail electric rate in 2022, according to the U.S. Energy Information Agency, was 12.5 cents per kilowatt-hour. State-by-state averages include 21.1 cents for Connecticut, 21.5 cents for Massachusetts, 18.4 cents for New York, 17.2 cents for Vermont, 15.0 cents for New Jersey, and 12.0 cents for Pennsylvania.
- Even within New York, there is a significant difference in prevailing power prices between upstate and downstate. The upstate grid is primarily fueled by lower-cost hydro and nuclear power while downstate is primarily fossil-fuel fired generation. The Board's policy recognizes these significant regional

differences by benchmarking five utilities that surround the LIPA service territory rather than utilities in other regions of the country or state.

- LIPA's system average rates have been competitive on a long-term basis, having risen more slowly than most other regional utilities during LIPA's stewardship of the Long Island grid (see chart below). LIPA's rates increased 55% since LIPA took over the Long Island grid, compared to a range of 95% to 132% for the other utilities, as shown in the following figure. The consumer price index, a standard measure of inflation, increased 79% during this period.



- “Offer programs to low-income and disadvantaged customers to maintain electric bills that are a reasonable percentage of household income.”
  - LIPA implemented a 33% increase in the monthly bill discounts for low-income customers in 2022 and an additional 7.6% in 2023.
  - LIPA provided arrears forgiveness relief to low-income customers consistent with the Statewide Energy Affordability Program (“EAP”).
    - In 2022, LIPA forgave \$25 million of past-due bills for nearly 11,000 low-income customers as part of Phase I of New York’s COVID-19 electric bill credit program.
    - In February 2023, LIPA implemented Phase II of the COVID-19 electric bill credit program, providing approximately \$38 million to help an additional 38,800 residential customers and 750 small commercial customers with past-due electric bills that were associated with the COVID-19 pandemic.



- LIPA automated the enrollment of customers in the low-income rate discount program who have received a HEAP and/or SNAP award from Social Services.
- LIPA continued to participate in the DPS's Energy Affordability Policy Working Group.
- LIPA established bill credits to low- and moderate-income customers who participate in the Solar Communities program.
- LIPA expanded rebates paid out to heat pumps for low-income customers to \$4.5 million in 2022 resulting in a fivefold increase in the number of installations.

***“To achieve our vision for rate design, LIPA will:”***

- **“Design electric rates that: are as simple and easy to understand as possible; provide customers with opportunities to save money; equitably allocate costs across and within customer classes; and encourage conservation, the efficient use of energy resources, and the transition to a carbon-free economy.”**
  - To assist with affordability during the COVID-19 pandemic, LIPA suspended residential disconnections for non-payment until mid-July 2022 and eased the terms of deferred payment agreements.
  - LIPA provided for \$25 daily bill credits and food and medicine spoilage reimbursements for customers experiencing prolonged outages during widespread outage events.
- **“Employ innovative electric rate design based on industry trends and research, stakeholder feedback in statewide proceedings, LIPA-run collaboratives, and comments from the public.”**
  - LIPA developed modern Time of Day (“TOD”) rates for residential customers that offer customers more opportunities to manage their bills and encourage customers to reduce their use of energy during high cost, high carbon hours.
    - Modern TOD rates are scheduled to become the standard rate for residential service starting in 2024.
    - Significant stakeholder engagement was received during that process from customer groups, solar industry participants and the DPS.
    - Experimental Voluntary Time of Use (“VTOU”) Rates were piloted as a precursor to the larger Time of Day rate program with 13,434 customers added in 2022.
  - LIPA introduced modern VTOU rates for medium sized commercial customers (with peak demand between 7 kW and 145 kW) that offers a 4-hour peak period (3pm – 7pm) on weekdays excluding holidays that gives larger customers more opportunities to manage their electric bills, saving them money and helping to reduce LIPA’s peak load.
  - LIPA lowered the daily charge to the largest commercial customers and increased demand charges, which shifted bill impacts to send a stronger price signal regarding the cost of peak load.

- LIPA improved the Community Choice Aggregation (“CCA”) and Long Island Choice (“LIC”) Programs, bringing them up to Statewide standards consistent with the investor-owned utilities (“IOUs”) and defining the “shoppable” portion of the bill.
- LIPA modified its interconnection procedures to align with New York State’s cost sharing framework.
- LIPA implemented the statewide program enabling annual bill credits for customers located in a Renewable Host Community.

### **Annual Review of the Policy**

**LIPA Staff has reviewed the Policy and proposes no changes at this time.**

### **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. LIPA’s ERM program has identified two such risks related to the adequacy of rates and their related rate designs (tariffs). The two specific risks are:**

- **Insufficient rates/untimely rate relief may lead to inadequate system investments which compromises LIPA’s ability to achieve strategic priorities; and**
- **Existing rate design may not reflect changing customer usage patterns/expectations or provide pricing signals (e.g., time of day rates, location, and demand charges) resulting in customer cross-subsidies and economic inefficiencies (i.e., grid usage optimization).**

**These risks are both rated as medium level risks. LIPA mitigates the risk of insufficient rates through an extensive analysis of its cost structure each year and through the identification of new specific performance metrics in the Reformed Operating Service Agreement to monitor electric system performance relative to budgets on an ongoing basis. LIPA utilizes a decoupling mechanism, which helps to stabilize revenues with changing weather and economic patterns, and a delivery service adjustment to recover or refund to customers variances in unpredictable costs, such as storm costs. LIPA also maintains a Power Supply Hedging Program designed to reduce portions of fuel and purchased power price volatility.**

**Regarding the risk related to rate design, the LIPA Board recently approved the implementation of a TOD rate for all customers with an opt out option and a one-year guarantee bills will not raise compared to the flat rate or the difference will be refunded. Implementation of the TOD rate structure carries its own risk such as project execution and implementation, and the potential for negative customer reaction. To help mitigate these issues, extensive system testing is being conducted to timely resolve any vulnerabilities, the program will be phased in over an extended period, and extensive customer outreach will be facilitated to educate and respond to concerns.**

Based on the mitigation actions in place, staff believe both risks are being adequately managed.

### **Recommendation**

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

*After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees:*

### **1796. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON CUSTOMER VALUE, AFFORDABILITY, AND RATE DESIGN**

WHEREAS, the Customer Value, Affordability, and Rate Design Policy (the Policy) was originally approved by the Board in September 2016; and

WHEREAS, the Policy was last reviewed and amended by the Board in May 2022; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

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.

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*Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of the Annual Report on the Board Policy on Clean Energy and Power Supply to be presented by Rick Shansky.*

*After requesting a motion on the matter, which was seconded, Mr. Shansky presented the following action item and took questions from the Trustees.*

### **Requested Action**

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

### **Background**

The Board originally adopted the Policy in June 2017. The last annual report and amendments to the Policy was in May 2022. The Policy sets LIPA’s vision for clean energy and power supply “to provide clean, reliable, resilient electricity to our customers at an affordable cost that both maintains the economic competitiveness of our region and minimizes the economy-wide greenhouse gas emissions of Long Island and the Rockaways by encouraging the electrification of vehicles, buildings, and equipment.” The Policy also establishes regular performance reporting by LIPA Staff to enable the Board to assess performance against the objectives of the Policy.

### **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 review of the Policy last year. The Policy provides:

“To achieve our vision for Clean Energy, LIPA will:”

- “Achieve a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act (“CLCPA”), including those for renewables, offshore wind, distributed solar, and storage.”
  - As of year-end 2022, LIPA has made significant progress toward meeting the State’s goals. Through direct procurements and purchases of renewable energy credits, LIPA is on target to meet or exceed its share of statewide goals for renewables, offshore wind, distributed solar, and storage.
  - With regard to offshore wind, the CLCPA aims to achieve 9,000 MW by 2035, of which at least 3,000 MW is expected to be interconnected to Long Island. Currently, three projects totaling 2,300 MW are under development. LIPA is supporting the interconnection plans for all three projects. The 130 MW South Fork Wind project is under construction and is expected to be in service late in 2023. The South Fork project is the State’s first offshore wind project and it was proposed as part of a portfolio of solutions to the growing energy needs of the South Fork. LIPA has a contract to purchase the full output of the project, including its offshore wind renewable energy credits (ORECs). LIPA also intends to purchase ORECs from NYSERDA associated with other offshore wind projects, such that LIPA will satisfy its pro rata share of the State’s 2035 goal.
  - The CLCPA seeks to achieve 10,000 MW (dc) of distributed solar by 2030. LIPA has already achieved its share of the State’s 2025 goal, with over 900 MW of utility-scale, distributed, and rooftop solar projects in service, and is

- on track to exceed the 2030 goal at least three years early. Long Island continues to have the most robust rooftop solar market in the State (accounting for approximately 40% of the statewide solar market as compared to 13% of the state's load) with nearly 72,000 photovoltaic systems installed. In 2022, customer-side installed capacity increased 79 MW (AC) with incremental annualized energy savings of 100,000 MWh. This was a 19% increase over 2021, while nationwide solar installations decreased 16%.
- In April 2021, PSEG Long Island issued a Request for Proposals ("RFP") for at least 175 MW of energy storage projects to be in service by 2025. In September 2022, LIPA selected 329 MW of energy storage for competitive contract negotiations, which remain in progress. Additional procurements (directly by LIPA and/or through NYSERDA) are anticipated to meet LIPA's share of the State's 2030 goal of 6,000 MW. As of year-end 2022, there is also approximately 15.7 MW of behind-the-meter customer storage installed, virtually all in conjunction with photovoltaic installations.
  - LIPA is engaged with the New York Independent System Operator ("NYISO") and other utilities to review NYISO's evaluation of proposals for the Long Island Offshore Wind Export Public Policy Transmission Project, with the goal of maximizing benefits and minimizing costs. The project's goal is to reinforce the LIPA system and develop new interconnections to Con Edison's system, enabling at least 3,000 MW of offshore wind to be connected to Long Island and exported to the rest of New York State.
  - LIPA continues to coordinate with the Department of Public Service ("DPS") and other New York State Transmission Owners to develop a statewide least-cost plan for local transmission upgrades needed to integrate renewables in support of CLCPA goals.
  - LIPA submitted to the Department of Energy ("DOE") a proposal seeking a federal grant for \$250 million towards \$500 million of T&D investments to enhance interconnection capacity for Distributed Energy Resources. LIPA was notified on February 24 of an initial determination of support by DOE and invited to submit a full grant application in May 2023.
  - All the above initiatives are expected to reduce LIPA's carbon footprint by 70%+ of 2010 levels by 2030.
  - LIPA's Integrated Resource Plan, to be completed in 2023, will lay out additional actions for CLCPA compliance, particularly through 2030.
- "Demonstrate innovation and be recognized among the leading utilities in reducing economywide greenhouse gas emissions through energy efficiency and beneficial electrification."
    - In 2022, LIPA's residential and commercial energy efficiency programs resulted in 1.22 million MMBtu of energy savings (29.8 MW of incremental demand savings and 328,701 MWh), which is approximately 106% of the goal of 1.15 million MMBtu of energy savings for the year.
    - In 2022, PSEG Long Island deployed over 7,000 heat pumps across all customers under the home comfort heat pump incentive program. As of

December 2022, there were over 20,000 heat pump installations on Long Island, two-thirds of LIPA's goal of 30,000 heat pumps by 2025.

- LIPA has funded an \$88 million plan to build out the infrastructure to support more than 4,700 chargers across Long Island and the Rockaways by 2025.
- **“Improve equity for disadvantaged communities, as measured by meeting or exceeding LIPA's share of New York's environmental justice goals as defined by the CLCPA and the Climate Justice Working Group, including ensuring that disadvantaged communities receive 40% of the overall benefits of clean energy, energy efficiency, energy assistance, and energy transportation investments, but not less than 35% of the overall benefits of spending on clean energy and energy efficiency programs, projects or investments.”**
  - In 2020, LIPA offered a Community Solar feed-in tariff for up to 20 MW of new renewable resources whose benefits will be directed toward low and moderate-income customers. As of 2022, PPA's have been executed for 3.0 MW with awards made to three other projects for 11.0 MW. Accordingly, eligible customers are now being identified as beneficiaries of this clean energy to help meet the goals for disadvantaged communities.
  - In 2022, LIPA launched a new community college scholarship program to fund 50 scholarships over the next 5 years for students seeking education and training in careers related to the electric utility industry. The LIPA Scholarship will provide full tuition, fees, and books to students with the goal of attracting local talent from specified underserved communities on Long Island and the Rockaways.
  - In 2022, LIPA committed to fund a New York Clean Transportation Prize Award of up to \$10 million for innovative projects that expand access to clean, electric transportation and lower vehicle emissions in historically disadvantaged communities. Awards were announced in November 2022, including a project to provide micro-shuttle service in two communities on Long Island (Rockaways and Brentwood) led by Circuit Transit Inc.
  - In 2022, LIPA funded a \$30,000 grant to the Shinnecock Nation to assist income-eligible residents in learning about and applying for LIPA's low and moderate-income assistance programs. Customers receive discounts on electric service and enhanced rebates for energy efficiency and clean technologies (e.g. heat pumps).
  - LIPA's 2023 Budget funds a \$4 million Long Island Regional Clean Energy Hub, which is to be established and run in partnership with NYSERDA and Cornell Cooperative Extension over the next four years, so as to partner with community-based organizations in providing outreach and education services in clean energy and energy efficiency, and integrating those with social services, housing, economic development, health, and training, particularly in disadvantaged or underserved communities.
  - LIPA is participating in the statewide process to define disadvantaged communities and meet its share of CLCPA goals. As part of the 2023 OSA performance metric, there is an analytics project focused on creation of a

**LIPA dashboard to measure performance against the disadvantage communities goal. Reporting begins September 1, 2023.**

**“To achieve our vision for Reliable Power Supply, LIPA will:”**

- **“Plan for a power supply portfolio that meets or exceeds industry standards for reliability, as demonstrated through Integrated Resource Plans conducted no less than every five years and by implementing the actionable recommendations of those plans in a timely manner.”**
  - **During 2022, PSEG Long Island completed studies to inform LIPA’s 2023 Integrated Resource Plan (“IRP”). LIPA expects to release the IRP findings to the public in Q2 or Q3 2023. Additional studies are being performed in 2023 to examine local capacity needs following planned generation retirements.**
  - **Existing Long Island capacity and currently planned additions are expected to meet the NYISO’s minimum Locational Capacity Requirement (“LCR”) through at least 2030. The current 2023 LCR of 105.2% of peak load is satisfied mainly with fossil-fueled generation and a smaller contribution from renewable resources. As offshore wind and energy storage resources are interconnected into Long Island the existing fossil-fuel generation will be phased-out in a manner that continues to satisfy the LCR and system reliability.**
  - **In recent years, all third-party-owned generation under contract with LIPA met or exceeded contract targets.**
  - **LIPA continues to work cooperatively with intertie owners to ensure continued reliable service for power imports. The New York Power Authority expects to complete extensive replacement of the Long Island land-based portion of the Y-49 cable in June 2023, which should ensure the cable will provide reliable service for many years to come. In 2022, LIPA completed the replacement of a high voltage transformer at the Newbridge Substation to restore the Neptune cable to its full design output. LIPA continues to work with Con Edison to monitor ongoing issues with the Westchester County land-based segments of the aging Y50 cable, and Con Ed is taking appropriate actions to address reliability concerns.**

**“To achieve our vision for Affordability, LIPA will:”**

- **“Consider the benefits and costs of its clean energy programs and power supply to achieve the greatest value for our customers.”**
- **“Competitively procure the least-cost resources and programs that meet our clean energy and reliability objectives, including using our not-for-profit, tax-exempt cost of capital to finance assets or pre-pay for energy, and using LIPA-owned land or exercising LIPA’s rights to acquire generating sites.”**
  - **In September 2022, LIPA selected 329 MW of energy storage proposals for competitive contract negotiations. Consistent with LIPA’s objective to repurpose fossil sites for clean energy, two of the projects are located at**

existing fossil generation sites that host generating units scheduled for future retirement. All the contracts are structured as build-own-operate-transfer (“BOOT”) arrangements, which achieves two important objectives for the procurement: 1) to protect LIPA from startup and operational risks in the first seven years of the projects’ lives and 2) to take advantage of LIPA’s access to tax-free debt to finance the asset acquisition at the end of the BOOT term, thereby lowering financing costs to customers.

- LIPA plans to meet a major portion of its future CLCPA-driven Tier 1 Renewable Energy Credits (“REC”) and OREC (“Offshore Wind REC”) targets by participating in the statewide program administered by NYSERDA, which acts as the central procurement administrator for contracting with eligible generators through annual competitive solicitations. In April 2021, the Board approved a long-term REC Purchase Agreement with NYSERDA for a fixed quantity of RECs. In 2022, NYSERDA implemented a streamlined approach to collecting funding from all load-serving entities statewide based on the quantity of RECs available to be sold and the LSE’s proportionate load share.
  - LIPA continues to advance an electricity pre-payment to save customers money using our tax-exempt cost of capital.
  - In November 2022, NYSERDA submitted a proposal to the Public Service Commission for centralized statewide procurement of “indexed energy storage credits,” similar to the approach used for RECs and ORECs, to achieve the CLCPA targets for energy storage. LIPA will work with NYSERDA and other stakeholders on implementation details.
- “Regularly demonstrate efforts to minimize cost and maximize performance with contractual counterparties and through advocating with regulatory authorities for fair cost allocations for Long Island and Rockaways electric customers.”
    - LIPA worked with Neptune Cable to challenge the PJM regional transmission organization’s allocation of costs for new transmission facilities within its system to exports of capacity, such as LIPA’s use of the Neptune cable. Working also with other merchant transmission providers, LIPA has achieved a settlement with the PJM Transmission Owners, saving customers approximately \$64 million through 2028.
    - In 2022, LIPA and Con Edison successfully petitioned the PSC to reduce the cost allocation for offshore wind transmission for downstate utilities from over 75% to their load ratio share, which is approximately 13% for LIPA. LIPA is now engaged with the NYISO and other utilities to review NYISO’s evaluation of proposals for the Long Island Offshore Wind Export Public Policy Transmission Project, with the goal of maximizing benefits and minimizing costs, while preserving LIPA’s right to construct certain upgrades to the LIPA system that may be needed to complete the project.
    - LIPA, along with other stakeholders, submitted comments to the PSC opposing a ConEdison proposal to construct a \$1 billion transmission hub in Brooklyn to facilitate the connection of offshore wind projects and to allocate its cost statewide. The PSC determined that the proposed facility was needed



initially to support reliable service to Con Edison's own customers and that the benefit for offshore wind connections had not been sufficiently demonstrated, rejecting for the time being any charges to other utilities, including LIPA's customers.

### **Annual Review of the Policy**

LIPA Staff has reviewed the Policy and recommends no changes at this time.

### **Recommendation**

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

*After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees:*

### **1797. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON CLEAN ENERGY AND POWER SUPPLY**

WHEREAS, the Clean Energy and Power Supply Policy (the "Policy") was originally approved in July 2017; and

WHEREAS, the last annual report and amendments to the Policy was in May 2022; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

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

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*Acting Chair Fischl stated that the next item on the agenda was the Briefing on LIPA's Evaluation of 2022 PSEG Long Island Performance Metrics to be presented by Mujib Lodhi.*

*Mr. Lodhi presented the Briefing on LIPA's Evaluation of 2022 PSEG Long Island Performance Metrics and took questions from the Trustees.*

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*Acting Chair Fischl stated that the next item on the agenda was the Isaias Task Force Outage Management System Independent Verification and Validation Testing Update to be presented by Mujib Lodhi.*

*Mr. Lodhi presented the Isaias Task Force Outage Management System Independent Verification and Validation Testing Update and took questions from the Trustees.*

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*Acting Chair Fischl stated that the next item on the agenda was the Time of Day Transition Update to be presented by Carolyn MacKool.*

*Ms. MacKool presented the Time of Day Transition Update and took questions from the Trustees.*

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*Acting Chair Fischl then stated that the final agenda item, Secretary's Report on Board Policies and Communications, would be in written submission only, and available at the Long Island Power Authority website for viewing.*

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*Acting Chair Fischl then announced that the next Board meeting is scheduled for Wednesday, June 28, 2023.*

*Acting Chair Fischl then asked for a motion to adjourn to Executive Session to discuss litigation matters and announced that no votes would be taken and that the Board would not be returning to Open Session. The motion was duly made and seconded, and the following resolution was adopted:*

**1798. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW**

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**RESOLVED**, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing litigation matters.

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*At approximately 1:25 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.*

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