



LEADING THE WAY
2024 PROPOSED BUDGET

This past year, LIPA celebrated our 25th anniversary. For us, that means 25 dedicated years of proudly serving our customers and community.

When you picked up your copy of our 2024 Budget, you may have noticed something different. Our new logo is a better representation of our vision. It's a better representation of the utility we've become and what we will continue to work towards every day: to be our customers' trusted energy partner. To actively engage with our customers and the communities we serve. To respond to our customers' needs and exceed their expectations. To be a recognized innovator in our industry to better serve our customers. To be known as a steward of our environment and community.

Today, more than ever, we celebrate our commitment to Long Island and the Rockaways. Together, we're building a cleaner, more affordable, more resilient energy future.

Thank you for following along on our journey.

A handwritten signature in white ink that reads "Thomas Falcone". The script is fluid and cursive, with the first letter of each word being capitalized and prominent.

Thomas Falcone
Chief Executive Officer

At LIPA, the Power is **Yours.**TM
Proudly serving Long Island and the Rockaways.

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Jones Beach Energy & Nature Center | Wantagh, New York

Opened in September 2020, the Jones Beach Energy & Nature Center serves a unique role in engaging the public around one of the LIPA's most important priorities – transitioning to a clean, low-carbon energy future for Long Island and the Rockaways.



Thomas Falcone
Chief Executive Officer

ABOUT LIPA

The Long Island Power Authority (LIPA) is the third-largest public power utility in the United States, serving 1.2 million customers.

LIPA's purpose is to serve our customers and community by providing clean, reliable, and affordable energy to Long Island and the Rockaways.

LIPA owns the electrical transmission and distribution system serving our community; however, we contract for most of the management services and power supply used to operate the electric grid. Since 2014, LIPA has contracted with PSEG Long Island for management services, and LIPA provides service to customers under the PSEG Long Island brand name. LIPA contracts with National Grid for 3,500 megawatts of generating capacity and additionally contracts with other providers for 2,300 megawatts of on-island generation and 990 megawatts of transmission inertia capacity to facilitate purchases from electric markets in New England and the mid-Atlantic states.

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

FAST FACTS

Customers Residential Customers: 1,026,143 Commercial Customers: 133,597	Energy Requirements 19,884,053 megawatt-hours	Generating Capacity ~5,500 megawatts	2023 Peak Demand ~5,000 megawatts
Transmission System 1,400 miles	Distribution System Miles overhead: 9,000 Miles underground: 5,000 Transformers: 189,000	Substations Transmission: 30 Distribution: 152	2024 Proposed Budget Operating: \$4.3 Billion Capital: \$855 Million

PURPOSE

LIPA's purpose is to serve our customers and community by providing clean, reliable, and affordable energy to Long Island and the Rockaways. As a not-for-profit utility, LIPA is a value-driven organization that puts our customers first in every action and decision.

VISION

LIPA's vision is to be our customers' trusted energy partner.
To achieve our vision, LIPA will:

- Actively engage with our customers and the communities we serve.
- Respond to our customers' needs and exceed their expectations.
- Be a recognized innovator in our industry to better serve our customers.
- Be known as a steward of our environment and community.

VALUES

Service: Our work is service. Everything we do is for the benefit of our customers.

Collaboration: Operate as one LIPA team. Everyone is included.

Excellence: One plan, with relentless implementation. Clear performance goals.



BOARD OF TRUSTEES

LIPA is governed by a local Board of Trustees. The Board supervises, regulates, and sets policy for LIPA. The Board consists of nine Trustees, five of whom are appointed by the Governor, two by the Temporary President of the State Senate, and two by the Speaker of the State Assembly.

The Trustees serve for staggered four-year terms. All Trustees reside on Long Island or in the Rockaways and have relevant utility, corporate board, or financial experience. Trustees are not compensated for their service.



Tracey Edwards
Chair



Valerie Anderson Campbell
Trustee



Sheldon L. Cohen
Trustee



Lauren Harris
Trustee



Claudia Lovas
Trustee



Dominick Macchia
Trustee



David Manning
Trustee



Mili Makhijani
Trustee

STRATEGIC DIRECTION

The LIPA Board provides strategic direction through a set of governance policies. The Board's policies define LIPA's purpose and vision and set expectations for the strategic outcomes that management will deliver in the areas of reliability, customer experience, clean energy, affordability, information technology, and fiscal sustainability. The Board reviews each of its policies annually, and LIPA management reports on outcomes in reports to the Board for each policy. Figure 1 summarizes the key objectives set by the Board.

Figure 1: **Key Policy Objectives**

1

RELIABILITY AND RESILIENCY

- Top 10% reliability among peer utilities
- Improve circuit conditions that cause repeated customer outages
- Invest in system resiliency to reduce outages and restoration times from severe weather
- Independently verify and validate PSEG Long Island's emergency restoration planning

2

CUSTOMER EXPERIENCE

- Deliver top 25% customer satisfaction in J.D. Power studies
- Continual improvement in ease of customer interaction, as measured by customer surveys
- Invest in technology to enhance the convenience of billing, payments, appointments, emergency restorations, etc.

3

INFORMATION TECHNOLOGY AND CYBERSECURITY

- Deploy modern grid management technology and data analytics benchmarked to the top 25% of utilities
- Protect digital infrastructure and customer data, as measured by an annual independent assessment of cybersecurity practices
- Clearly communicate customer information collection policies

4

CLEAN ENERGY

- 70% renewable energy by 2030
- Zero-carbon electric grid by 2040
- Encourage beneficial electrification of transportation and buildings (i.e., electric vehicles and cold climate heat pumps)

5

CUSTOMER AFFORDABILITY

- Maintain regionally competitive electric rates
- Prioritize investments to balance cost and service quality
- Maintain affordable electric bills for low-income customers and disadvantaged communities

6

FISCAL SUSTAINABILITY

- Achieve AA-category credit ratings by 2030 by reducing LIPA's debt-to-assets ratio from 90%+ to 70% or less
- Maximize grants and low-cost funding sources
- Develop budgets and financial plans that maximize customer value and aggressively manage costs
- Provide LIPA's customers and investors with timely, transparent, accurate, and useful information to evaluate LIPA's financial performance and plans

EXECUTIVE MANAGEMENT

LEADING WITH EXPERIENCE

The LIPA team is proud to serve our customers. Together, our leadership team brings extensive utility experience to the organization in all core business functions, including transmission and distribution operations, power supply, customer experience, information technology, finance, legal, strategy, performance management, communications, and external affairs.

Visit lipower.org/leadership for more information on each member of LIPA's management team.



Thomas Falcone
Chief Executive Officer



Mujib Lodhi
Chief Operating Officer



Bobbi O'Connor
General Counsel; Secretary
to the Board of Trustees



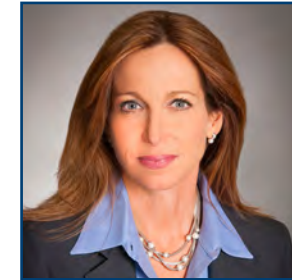
Werner Schweiger
Executive Advisor
for Operations



Billy Raley
Senior Vice President,
Transmission & Distribution



Gary Stephenson
Senior Vice President,
Power Supply



Donna Mongiardo
Vice President,
Controller



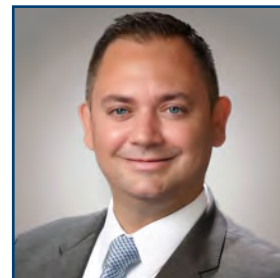
Barbara Ann Dillon, Esq., PHR
Director of Human Resources
and Administration



Jennifer Hayen
Director of Communications



Kenneth Kane, CPA
Senior Advisor for Oversight



Tom Locascio
Director of External Affairs



Carolyn MacKool
Director of Customer Experience

Thomas Falcone speaking at the New York Solar Summit
November 2023 | Albany, New York



OUR ELECTRIC GRID

LIPA's service territory spans Nassau and Suffolk Counties in Long Island and the Rockaway Peninsula in Queens County. **Jutting out off the coast, Long Island is at the tail end of New York State's electric grid.**

Long Island's electric resources consist of seven major interconnection cables to regional markets, dozens of fossil-fueled power plants, five solar farms, and two battery storage systems. There are multiple power supply projects under development, including four major offshore wind projects and three additional interties to LIPA's service territory.

Northport Power Generation Station (1,564 MW)
Northport, New York



Port Jefferson Power Generation Station (498 MW)
Port Jefferson, New York



Northport to Norwalk Cable
300 MW

NYISO (142 Million MWh)

(New York Independent System Operator)
Y49/Y50 Cable (900MW net)

Kings Park Solar Farm (4 MW)
Kings Park, New York



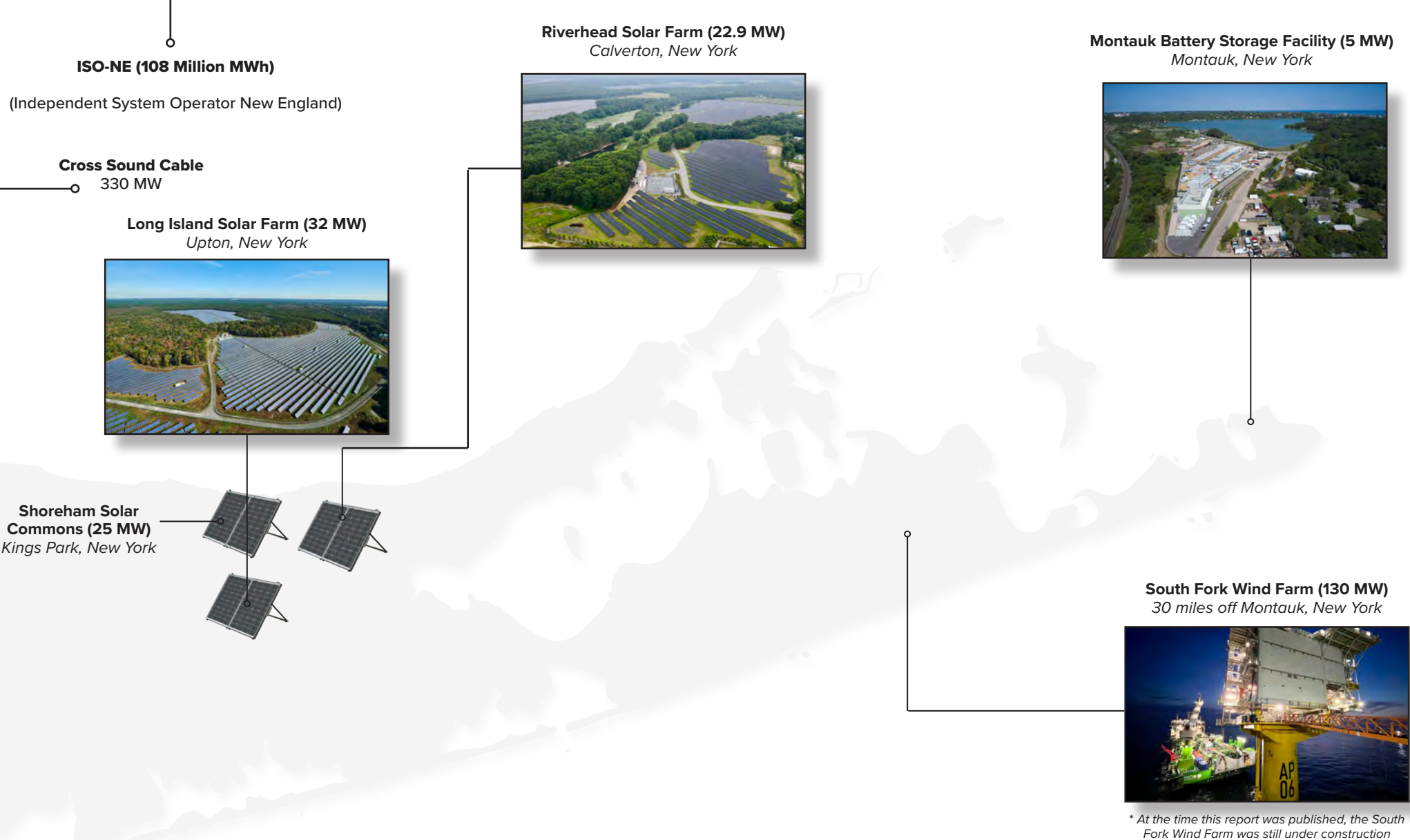
E.F. Barrett Power Generation Station (670 MW)
Island Park, New York



PJM (787 million MWh)

Pennsylvania, New Jersey, Maryland

Neptune Cable
660 MW



SECTION I: CEO MESSAGE

Did You Know?

LIPA's 2023 Budget Report has been recognized nationally by the American Public Power Association.

Learn more about the Public Power Communications Awards in the "In Our Community" section on page 59.

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To our customers and stakeholders,

A budget is not simply a collection of numbers. It is a statement of values and a plan of action. LIPA's budget outlines our commitment as a public power utility to deliver value to our customer-owners by meeting the policy goals of our Board of Trustees. The budget details how we will make this commitment a reality by funding projects, initiatives, and performance standards.

When writing this message two years ago, we were in the process of reforming our contract with PSEG Long Island. While the reformed contract was eventually agreed to and finalized, it wasn't always a sure thing, and there was uncertainty along the way about how Long Island's electric grid would be managed. Now in late 2023, we are approaching another decision point, as the reformed PSEG Long Island contract is set to expire at the end of 2025.

The Legislative Commission on the Future of LIPA is expected to issue its final report within the coming weeks. That report will chart the Commission's suggested path for LIPA to directly manage its electric grid (see page 25 for more information). This would be a change from the contractor-based management system employed since LIPA bought the Long Island Lighting Company in 1998. The final decision on the Commission's recommendations will be left up to the legislature and the governor, who would have to approve a bill and sign it, respectively, to enable this path.

Should they not pursue the public power management model, LIPA will need to hire one or more contractors to manage the grid beginning on January 1, 2026. When the New York State Comptroller approved our reformed management contract with PSEG Long Island in April 2022, it was done so under the condition that it would be put back out to bid before its expiration. Our team has begun preparations to do just that in 2024.

Even with all that going on, our daily focus remains on providing our 1.2 million customers on Long Island and the Rockaways with clean, reliable, and affordable electric service. LIPA is committed to these objectives regardless of our future management model. To achieve these goals, we need to:

- **Operate a highly reliable electric grid that is within the top 10 percent of peer electric utilities – equivalent to fewer than one power outage a year per customer or 99.99 percent reliability.**
- **Deliver outstanding customer satisfaction among the top 25 percent of electric utilities as measured by a third party.**
- **Achieve New York's nation-leading climate goals, including 70 percent renewable energy by 2030 and a carbon-free electric grid by 2040.**
- **Provide electric service at the lowest possible cost, with rates that are comparable to or below our neighboring utilities.**

This year's budget message includes information on these and other topics, including updates on performance within our reformed contract with PSEG Long Island, the implementation of Time-of-Day (TOD) rates in 2024 and 2025, our region's clean energy progress, and our continued investments in resilience and reliability.

It is our hope that this budget provides our customers with a transparent look at our operations and efforts to continuously improve on the value we provide to you.

Thomas Falcone
Chief Executive Officer



THE POWER IS **YOURS.**TM

For over 25 years, we've proudly served our community as a public utility. Today, more than ever, we celebrate our commitment to Long Island and the Rockaways. Together, we're building a **cleaner**, more **affordable**, more **resilient energy future**.

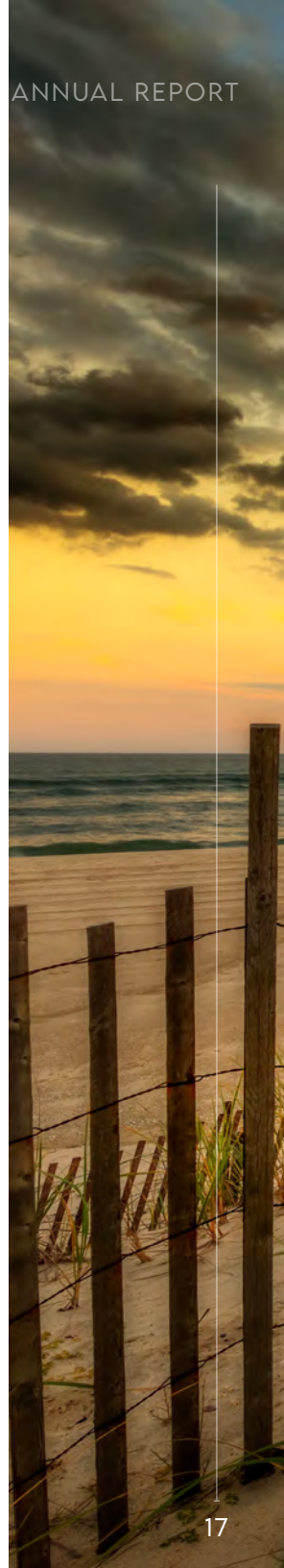
What does it mean to have public power?

Being a part of a not-for-profit utility means that each citizen of Long Island and the Rockaways has a voice in our community-owned utility that provides reliable electricity to its residential and commercial customers at the lowest possible cost. Public power utilities are locally controlled and operated on a not-for-profit basis. In other words, a public power utility is solely accountable to its customers rather than shareholders. Public power utilities also have access to lower-cost financing and federal grants that aren't available to for-profit utilities.

This lower-cost public ownership and local control model are focused on achieving the best outcomes for customers and the communities in which they live. As your public utility, we're here to ensure you have the clean, reliable, affordable energy you need to succeed today and every day. We're working to solve our region's energy equation for generations to come with innovation, ideas, and hard work. By partnering together, we will be a model for a clean energy and customer-first experience.

Whether you live, work, or go to school on Long Island or the Rockaways — **the power is yours.**

Learn more about how LIPA leverages its public power status to keep rates low for customers on page 80.





OBJECTIVES AND PERFORMANCE

While LIPA owns the electrical transmission and distribution (T&D) system serving our community, we contract for most of the management services and power supply used to operate the electric grid, putting a particular emphasis on the performance of our vendors in delivering on our Board's objectives.

Since 2014, PSEG Long Island has served as both the service provider and customer-facing brand of the utility. And every day we work on behalf of our customers to make sure our partners deliver results that provide the clean, reliable, affordable energy we all deserve.

In April 2022, LIPA and PSEG Long Island began operating under a reformed contract designed to ensure better performance and customer experience. The contract reforms include the eight areas highlighted in Figure 2.

Figure 2: **Eight Core Reforms of the New Contract with PSEG Long Island**

Strengthen Incentives and Accountability Mechanisms

- 1** Greater share of management compensation at risk based on performance
- 2** Expanded performance metrics with greater rigor covering all categories of the management services to LIPA
- 3** Strong gating and default metrics to discourage singularly poor performance (e.g. storms)
- 4** Strengthen Long Island-based management and accountability for Long Island operations
- 5** Require candor from service provider

Strengthen Oversight

- 6** Require compliance with Board recommendations to address known deficiencies
- 7** Strengthen oversight in long-term planning, project prioritization, and budget development
- 8** Partition Long Island IT systems and facilitate independent verification and validation by LIPA

Under the reformed contract, LIPA and PSEG Long Island agreed to new performance standards, known as metrics, distributed across all the management services provided by PSEG Long Island to LIPA and its customers. These metrics either target maintaining the level of service the Board has established in [Board Policy](#) or addressing identified gaps between the Board's targeted level of service and the current level of service.

The annual metrics are designed to be achievable levels of performance that are objectively verifiable. The Board budgets the funds to achieve this performance, tying realistic plans and budgets to measurable outcomes each year. These performance standards ensure that PSEG Long Island's compensation is tied to delivering meaningful outcomes for LIPA's electric customers. LIPA provides the Board with quarterly reports regarding the status of the metrics, which can be found on lipower.org.

Since establishing these new metrics, LIPA has seen improvements in responsiveness and engagement from PSEG Long Island management, driven by a desire to meet the performance standards. Even for initiatives where the outcomes have been insufficient to satisfy a metric, there are often beneficial results that likely would not have been achieved in the absence of the metric.

The metric management process also provides much greater visibility to LIPA into the progress of projects and initiatives and helps to identify specific areas of weakness, which provides valuable insights to both LIPA and PSEG Long Island management in efforts to enhance performance. These defined metrics are improving operations for the benefit of customers.

LIPA and PSEG Long Island negotiated the metric package for 2022 as part of the reformed contract, and **PSEG Long Island fully met 69% of the performance metrics last year.** Ranked from highest to lowest, performance by business scope was Transmission and Distribution (85%), Business Services (71%), Power Supply & Clean Energy (67%), Customer Service (47%), and Information Technology (29%). These results point to areas in need of future focus. More information on 2022 performance metrics can be found in LIPA's [Year-End Report on PSEG Long Island's 2022 Performance Metrics](#).



LIPA's New Deal with PSEG | Newsday Cover: November 10, 2021

2023 PERFORMANCE

Beginning in 2023, metrics were set solely by LIPA for the first time, with an independent recommendation to the LIPA Board by the Department of Public Service (DPS).

The [2023 Performance Metrics](#) are divided into two categories: quantitative and initiative-based (also referred to as qualitative). The 40 quantitative metrics are typical utility measures of reliability, safety, staffing, clean energy, and customer experience. The quantitative metrics have predefined numerical measurements that can be benchmarked to other utilities and analyzed for performance trends and costs. The 53 initiative-based metrics are projects to improve specific areas.

While it is too early to predict the outcome of the 2023 metrics, **the performance pattern appears to be consistent with 2022, with the areas of strength continuing and those that experienced challenges again exhibiting issues in 2023.** There are some metrics where performance has improved relative to 2022; there are also areas where it has deteriorated.

As of the latest quarterly report, PSEG Long Island is meeting approximately 63% of quantitative metrics for 2023, while 37% are running behind the target or are to be determined. **For initiative-based metric deliverables, PSEG Long Island has either met approximately 74% of the deliverables or the deliverables remain under review**, while 11% of deliverables are overdue and 15% were not met. These figures include the effect of LIPA approved metric exceptions (i.e., if measured relative to the original metric standards, more of the initiative-based deliverables would be overdue or declined).

LIPA's quarterly reports on the 2023 metrics can be found on lipower.org, with a year-end report to follow in the coming months.

PSEG Long Island employee at a training yard in Hicksville, New York.



PROPOSED 2024 PERFORMANCE STANDARDS

For 2024, LIPA has proposed 61 performance standards, which have been independently reviewed and recommended to the LIPA Board by DPS. The metrics are distributed across all the management services provided to LIPA and its customers, as shown in Figure 3.

Figure 3: Focus Areas for 2024 Performance Standards

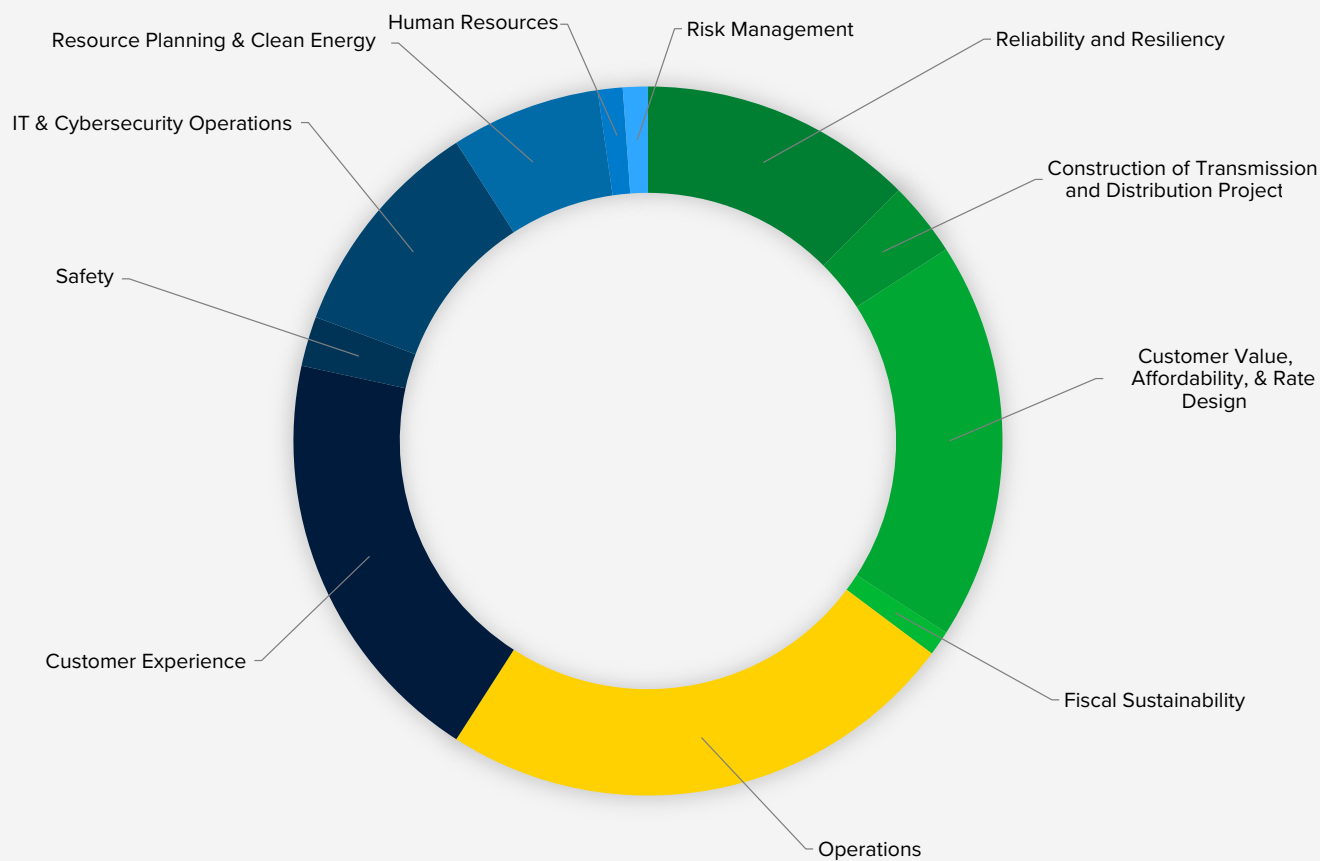





Figure 4: Highlights of the Proposed 2024 Performance Standards

 Reliability and Resiliency	Customer Benefit
Top Decile Reliability: achieve reliability metrics within the top 10% of peer utilities	Industry-leading reliability for customers
Automatic Circuit Reclosers: operationalize smart grid technology on mainline and branch distribution circuits to minimize outages for customers	Fewer outages for customers
Storm Hardening and Vegetation Management: continued investment in 5-year resiliency programs	18% reduction in customer minutes of interrupted service from the next major storm by 2025
Transmission Control Center Replacement: multi-year program to develop a modern grid control room and a modern backup facility	Provide more resilient grid operations and integrate high penetration of renewables
 Customer Experience	
Transition to Time-of-Day (TOD) Rates: launch marketing, outreach, IT, and customer tools to educate customers about savings opportunities in the transition to TOD rates	More dynamic and lower cost electric grid, lower carbon emission, and customer bill savings opportunities
Customer Satisfaction: improve J.D. Power customer satisfaction towards first quartile by improving residential satisfaction by four rankings and business satisfaction by three rankings	Improvements to customer experience as measured by customers
Reduce Call Center Wait Times: improve customer wait time so that 77% of calls are answered within 30 seconds	Greatly reduced customer wait time when calling
Customer Move In/Out Process Improvements: Streamline the residential move-in and move-out process to one efficient transaction	Customer convenience and efficient service delivery
Enhance Customer Experience: projects to enhance online chat, payment kiosks, and the credit card payment process	Customer convenience and efficient service delivery
Outage Information Satisfaction: survey customers who lost power on their satisfaction with the information received during the outage	Enhanced customer experience when outages occur
 Clean Energy	
Heat Pump Strategy: new customer and contractor tools, marketing, and an enhanced contractor network to help customers transition to clean heat	Improved customer experience, reduced carbon footprint, and lower customer energy bills
Transportation Electrification Strategy: implement programmatic changes to address barriers to customer transportation electrification targeted by segment and aligned with industry best practices	Improved customer experience, reduced carbon footprint, and lower customer energy bills

<p>Energy Efficiency and Beneficial Electrification: achieve budgeted targets for energy efficiency, EV chargers, and heat pumps, including Climate Act objectives for 35%+ of benefits targeted to disadvantaged communities</p>	<p>Customer Benefit</p> <p>Meet LIPA's share of the state's energy efficiency and electrification goals</p>
<p>Utility Scale Storage: procure 175+ MW of utility-scale battery storage to be in service by 2025</p>	<p>Prepare for increased renewable generation</p>
<div data-bbox="247 332 336 418"></div> <p>Information Technology & Cybersecurity</p> <p>IT Project Delivery: improve IT organizational maturity and the management of IT projects to industry standards</p> <p>IT System Resiliency: enhance disaster recovery and business continuity plans for all critical systems</p> <p>IT Ransomware Readiness and Response: enhance preparation for ransomware incidents</p> <p>Cybersecurity Organization: build a Long Island-based cybersecurity operation under the newly hired Chief Information Security Officer</p> <p>IT System Segregation: execute the Board-approved plan to separate Long Island IT systems from PSEG New Jersey affiliate companies</p>	<p>Meet customer needs, while managing costs and schedules</p> <p>More resilient service to customers</p> <p>More resilient service to customers</p> <p>Strengthen cybersecurity organization to safeguard operations and customer data</p> <p>Strengthen Long Island IT and prepare for the end of PSEG Long Island's contract in 2025</p>
<div data-bbox="247 889 325 950"></div> <p>Safety</p> <p>Minimize Injuries: operate the electric grid in a safe manner, including implementing the findings of a LIPA triennial safety review</p>	<p>Minimize workplace and customer injuries from the operation of the electric grid</p>
<div data-bbox="247 1075 325 1177"></div> <p>Affordability and Cost-Efficient Operations</p> <p>Low- to Moderate-Income (LMI) Bill Discounts: increase customer enrollment in the discounted rate for LMI customers by about 20%</p> <p>Improved Budgets and Monitoring: improve budget development and monitoring to ensure efficient service delivery</p>	<p>Improve affordability for customers with the greatest need</p> <p>Minimize the cost to provide high quality service to customers</p>

These performance standards are tied to the proposed 2024 budget. For a summary of the proposed performance standards for 2024, see Section IV. The details of the proposed 2024 performance metrics are available at <https://www.lipower.org/about-us/contracts-reports/>.

LEGISLATIVE COMMISSION ON THE FUTURE OF LIPA

In 2022, the New York State Budget enacted a Legislative Commission on the Future of LIPA to investigate and report to the State Legislature on establishing a public power model for the management and operations of LIPA.

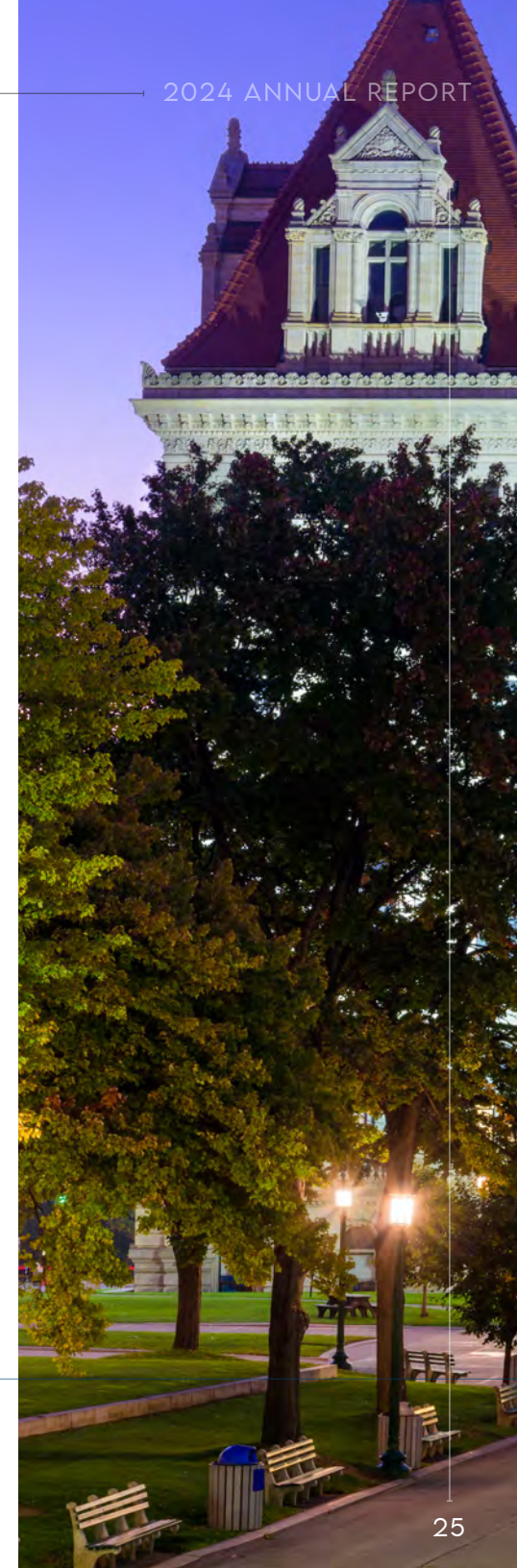
LIPA has outsourced day-to-day management of the electric grid to neighboring utilities since its purchase of the transmission and distribution system from the Long Island Lighting Company in 1998. From 1998 through 2013, LIPA was the customer-facing brand, but KeySpan and later National Grid were the management service providers. Since 2014, PSEG Long Island has served as both the service provider and the customer-facing brand of the utility.

The Legislative Commission began its work in 2023, holding public hearings across Long Island and the Rockaways. LIPA was invited to appear and provide testimony at many of the Commission's hearings to provide relevant facts, data, and analysis.

The Commission issued its draft report in April 2023, and the New York State Comptroller also published a 10-page report to the Commission. The Commission is expected to release a final report, with recommendations to outstanding issues in the areas of labor and governance, in November 2023. The Commission's work will be evaluated by the full Legislature and Governor in the next legislative session to begin in January 2024.

While a decision by the Legislature and Governor is pending, LIPA is also preparing to rebid the management contract in 2024 as PSEG Long Island's contract expires at the end in 2025.

For more information visit nylipa.gov.





INVESTING IN A RELIABLE AND RESILIENT GRID

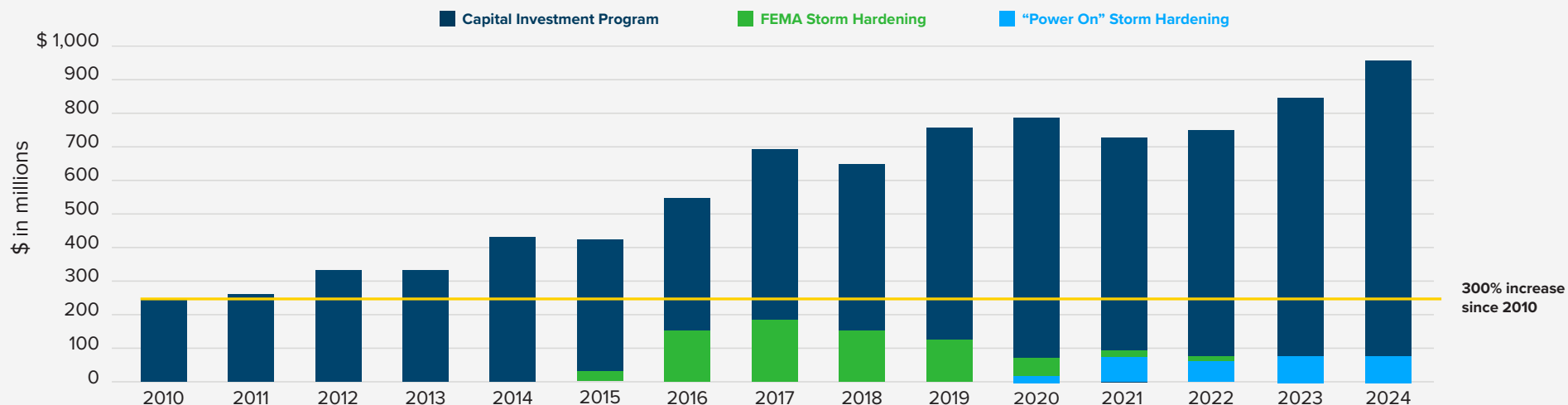
Above anything else, customers want and deserve reliable and resilient electric service, and the LIPA Board has set high objectives for both:

Reliability is the electric grid's ability to ensure adequate and dependable power supply in response to high-frequency, low-impact events. **The Board's reliability objective is to maintain top 10% reliability among peer utilities, while improving circuit conditions that cause any customer to experience significantly worse reliability than the average customer.**

Resiliency is the electric grid's ability to withstand or recover from low-frequency, high-impact events. **The Board's resiliency objective is to mitigate the effects of climate change through multi-year programs that reduce the number and duration of outages after significant storms.**

LIPA has invested a record \$6.4 billion since 2016 – over three times the pace of investment of a decade ago, as shown in Figure 5 – to achieve industry-leading reliability, improve resiliency, and leverage modern system design and technology to provide value to customers.

Figure 5: **Capital Investments in the Long Island and Rockaways Electric Grid Are Up Over 300%**



LIPA's investment in reliability has led to significantly improved outcomes, including a **37% reduction in customers experiencing power outages**, as shown in Figure 6.

Figure 6: **Results of Reliability Investments**

Reliability Investments = Real Results

↓ **37%**

Customers with
Power Outages

↓ **71%**

Customers with more
than Four Outages Per Year

↓ **58%**

Customers with
“Flicker” Interruptions



**Top 10% Nationally
in Reliability**

LIPA's current five-year resiliency plan, which implemented the recommendations of LIPA's Tropical Storm Isaias Task Force from 2020, is expected to reduce customer outage minutes from a major storm by approximately 18% by 2025 (see Figure 7).

This plan includes:

- Hardening the worst-performing distribution circuits.
- Increasing hazard tree removal.
- Limiting the number of customers affected behind each smart switch to less than 500.
- Hardening transmission supply to every substation in a load pocket.¹

Figure 7: Multi-year Storm Resiliency Plan 2021 to 2025

Program	2021	2022	2023	2024	2025	
	Units Completed	Units Completed	Units Planned	Units Planned	Units Planned	% System
Power On! Mainline Distribution Circuit Hardening	111.01	80.41 miles	51.76 miles	53 miles	53 miles	46.4%
Hazardous Tree and Large Limb Removal Program	7,115 trees	9,261 trees	12,000 trees	9,000 trees and 5,000 large limbs	9,000 trees and 5,000 large limbs	100%
New Trim-to-Sky Distribution Tree Trim Program	10 miles	215 miles	207 miles	198 miles	233 miles	100%
Deploying Smart Switches on Circuits	154 switches	149 switches	156 switches	150 switches	75 switches	100%
Reduction in Customer Outage Minutes in Next Major Storm Compared to 2020						18.0%

¹: A "Load Pocket" is an area on the electrical system that, because of transmission limitations, has limited ability to import power..



PROTECTING OUR ISLAND

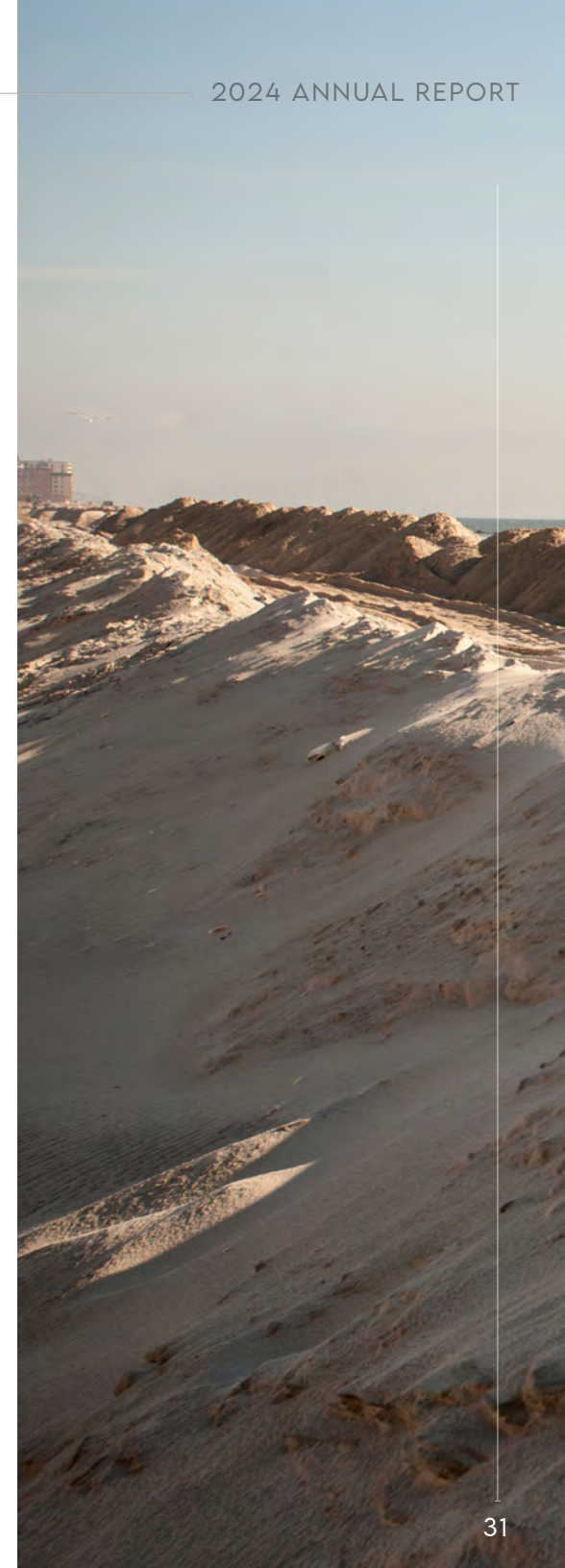
Across the globe, extreme weather is becoming more common. According to the National Oceanic and Atmospheric Administration (NOAA), 2023 was a record-setting year for weather and climate disasters in the U.S. -- costing billions to repair affected communities. Tragic events like the deadly Maui firestorm, extreme flooding in California and New England, Hurricane Idalia's category four winds battering the Gulf Coast, and devastating hailstorms and tornados throughout the central U.S. underscore how a changing climate poses challenges to the resiliency of our electric grid.

Year after year, we're seeing record-setting temperatures, with August 2023 being Earth's hottest on record, according to NOAA's 174-year climate record. Global sea surface temperatures are rising and hitting record highs as well. This past August also set another record for the highest monthly sea surface temperature anomaly -- about 1.85 degrees higher than normal -- of any month in NOAA's climate record.

LIPA and PSEG Long Island participate in the New York Independent System Operator (NYISO), New York State Reliability Council (NYSRC), and Electric Power Research Institute (EPRI) working groups on planning for the effects of climate change to ensure industry-wide and academic collaboration on climate science and best practices.

Long Island, with over three million people who call it home, is situated on an island in the northeast, with 1,600 miles of shorelines, and is vulnerable to the effects of climate change. LIPA is taking several actions in response to climate science:

- Implementation of a five-year storm hardening and resiliency plan.
- Incorporating temperature rise into load forecasting.
- Designing the electric grid for higher peak temperatures and Category 3 hurricane winds.
- Elevating flood-prone substations.
- Providing incentives for customer-owned energy storage systems.





GRANTS FOR STORM RECOVERY AND CLIMATE RESILIENCY

LIPA continues to pursue significant grant opportunities to help offset the cost of storm recovery and climate resiliency for its customers. LIPA's status as a public power utility makes it eligible for federal grants for storm recovery not available to for-profit utilities — LIPA has received multiple grants from the Federal Emergency Management Agency (FEMA) for storm hardening, including for the recovery costs and hardening from Superstorm Sandy (2012) and Tropical Storm Isaias (2020). **These and other pending grants are reducing the costs that would otherwise be paid by customers by \$2.2 billion** (see Figure 8).

Figure 8: **Summary of FEMA Grants for Storm Recovery Costs and Hardening Programs**

\$ in millions

Federally Declared Weather and Other Events	LIPA Recovery Costs	Federal Grants
Tropical Storm Irene (2011)	\$170	\$154
Superstorm Sandy (2012)	\$671	\$604
Sandy Mitigation	--	\$665
Winter Storm Nemo (2013)	\$17	\$11
Winter Storm Stella (2017)	\$14	\$4
Tropical Storm Isaias (2020)	\$309	\$276
Isaias Mitigation	--	\$446*
COVID-19 Pandemic (2020-2022)	\$26	\$6*
COVID-19 Pandemic Mitigation	--	\$10*
Tropical Storm Ida (2021)	\$9	\$7
Winter Storm Elliott (2022)	\$3	\$2*
Total	\$1,219	\$2,185

*Applied for - LIPA waiting for FEMA decision.

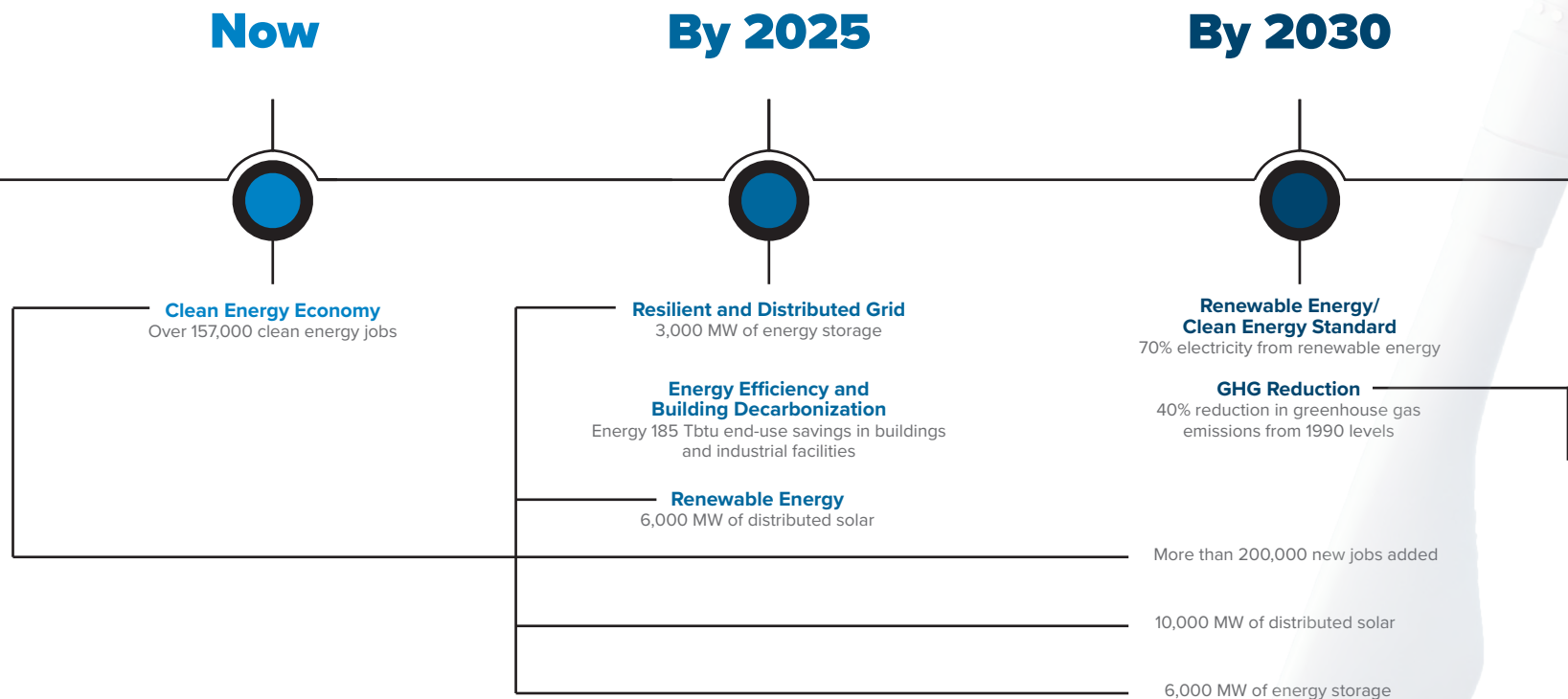


CLEAN ENERGY FOR LONG ISLAND AND THE ROCKAWAYS

New York's clean energy goals are set by the New York State Climate Leadership and Community Protection Act (Climate Act). Passed in 2019, the Climate Act is among the most aggressive in the nation, calling for a just transition to a clean energy economy that addresses climate change while creating good-paying jobs and fostering healthy communities. Figure 9 shows the goals established in the Climate Act, which include time-bound objectives for greenhouse gas (GHG) emissions reductions from electricity production, sales of zero-emission vehicles, and resource-specific requirements for distributed solar, renewable energy, energy storage, and offshore wind.

For more information visit climate.ny.gov.

Figure 9: **New York's Climate Act Goals**



By 2035



Renewable Energy

9,000 MW of offshore wind

Clean Transportation

100% light duty zero-emission vehicle sales

By 2040



Clean Electricity

100% zero-emission electricity

By 2050

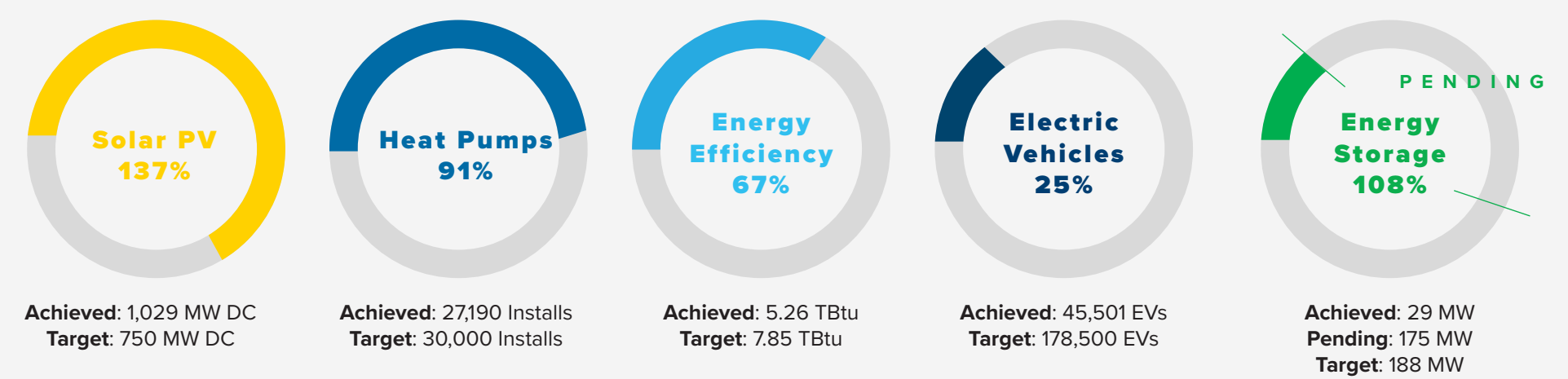


GHG Reduction

85% reduction in greenhouse gas emissions
from 1990 levels

LIPA has initiatives underway that directly contribute to the State’s clean energy goals in such areas as solar, storage, offshore wind, energy efficiency (EE), electric vehicles (EVs), and building decarbonization, as described in the sections below. Figure 10 shows progress towards Long Island’s portion of the state’s 2025 Clean Energy Goals.

Figure 10: Progress Towards Long Island’s Portion of New York State’s 2025 Clean Energy Goals



Note: Current as of October 2023. See the Appendix for the 2030 New York State Clean Energy goals. The Solar PV goal for 2025 has been accomplished.



Figure 11 shows the clean energy projects under development that will be added to the Long Island and Rockaways electric grid by the early 2030s:

- **1,419 MW of customer-owned solar and local solar farms**
- **3,628 MW of offshore wind**
- **750 MW of battery storage**

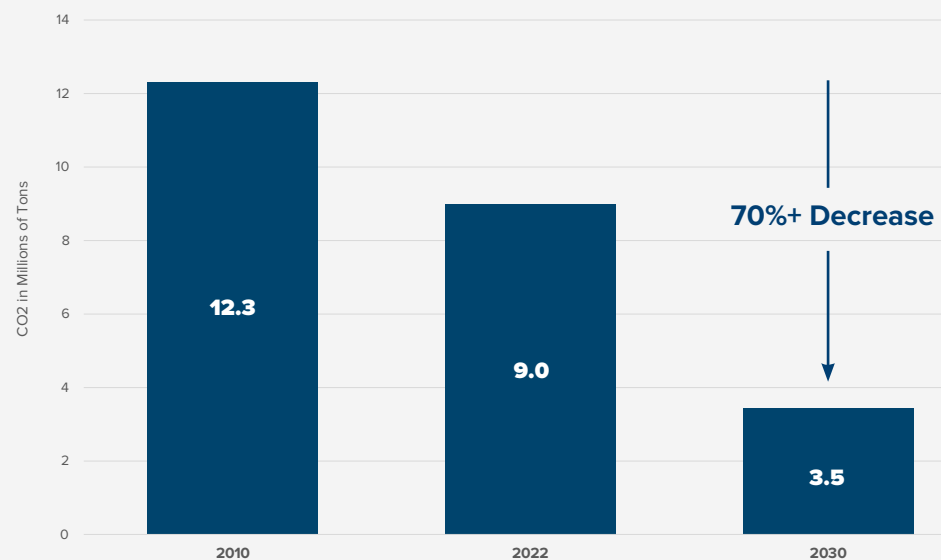
Assuming these projects reach commercial operation, Long Island's clean energy will total about 5,800 MW compared to the 2023 peak demand of approximately 5,000 MW.

The addition of 5,800 MW of clean energy to the Long Island electric grid is sufficient to reduce LIPA's carbon footprint over 70% by 2030, as shown in Figure 12.

Figure 11: Long Island Clean Energy Projects in Service by the Early 2030s

Solar (1,419 MW)	Size (MW_{AC})	In-Service (Est./Act.)
Long Island Solar Farm	32	2011
Eastern Long Island Solar Project	11	2013
Shoreham Solar Commons	25	2018
Riverhead Solar	20	2019
Kings Park Solar 1 and 2	4	2019
Solar Feed-in Tariffs I-III	89	2021-2022
LI Solar Calverton	23	2021
Behind-the-Meter	1,200	2030
Solar Communities (FIT V)	15	2025
Offshore Wind (3,628 MW)	Size (MW_{AC})	In-Service (Est./Act.)
South Fork Wind Farm	130	Early 2024
Sunrise Wind	924	Mid-to-Late 2020s
Empire Wind 2	1,260	Late 2020s
Excelsior Wind	1,314	2030s
Energy Storage (750 MW)	Size (MW_{AC})	In-Service (Est./Act.)
East Hampton & Montauk Storage	10	2018 & 2019
2023 RFP Awards (Pending)	175+	2025
Future Storage Additions	565	2030
TOTAL	5,797 (MW_{AC})	

Figure 12: Carbon Emissions Footprint for LIPA's Power Supply from 2010 to 2030



Note: 2030 estimate excludes recently announced Excelsior Wind.



INTEGRATED RESOURCE PLAN

In November 2023, LIPA released an Integrated Resource Plan (IRP) to study future supply- and demand-side electric grid resources needed for Long Island and the Rockaways. Conducted every five years, the IRP charts a path towards a zero-carbon electric grid by 2040. **The 2023 IRP specifically focuses on actions and decisions that need to occur between now and 2030** to provide reliable, cost-effective service to customers under a range of scenarios and considers factors such as customer usage trends, existing resources, policy and regulatory requirements, changing technology, risks, and opportunities. LIPA will re-evaluate any actions beyond 2030 in the next IRP planning cycle with updated information and assumptions.

Among the key findings of the IRP are:

- By 2030, solar and offshore wind resources will cause LIPA's **carbon footprint to decline by over 70%** from 2010 levels.
- **Offshore wind projects under development will connect 3,600 megawatts to the Long Island grid**, out of a statewide goal of 9,000 MW by 2035, with more to come as forecasts show as much as 18,000 MW or 18 gigawatts of offshore wind by 2050.
- Long Island's high-voltage transmission grid will need to be built out to integrate the large amounts of offshore wind, some of which will be exported to the rest of New York. **The Propel NY Energy project will meet these transmission needs through 2030 and beyond**, although further study is required to assess transmission needs for a zero-carbon electric grid by 2040.
- As offshore wind and battery storage resources come online, LIPA will retire up to **800 MW of existing Long Island power plants by 2030**.
- Demand-side measures, such as LIPA's energy efficiency rebate programs and customer installations of solar photovoltaic systems, are projected **to effectively offset economy-driven growth in electricity sales between now and 2030**.

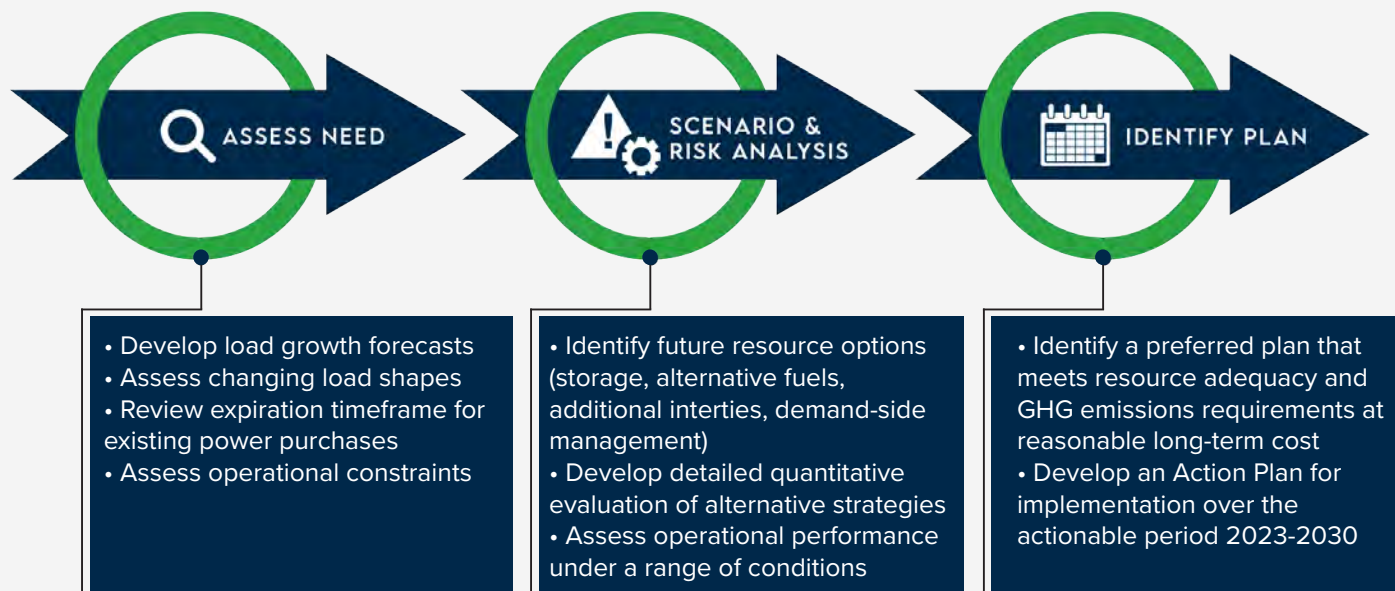


2023 IRP Summary Guide

- **LIPA's transition to Time-of-Day rates in 2024 and 2025 will encourage customers to shift energy use outside of peak hours** and thereby help moderate growth in peak demand, which is a main driver of the need for investments to upgrade the T&D system. LIPA will need to further expand on TOD rates with managed charging solutions in future years.
- Clean, distributed resources will transform the local electric grid into a two-way street, requiring **upgrades in distribution capacity and controls, including the associated information technology (IT) systems** to intelligently manage the grid.
- For the post-2030 period, the industry will need to develop **new solutions and technology to balance electric supply and demand** on an hourly, daily, and seasonal basis to fully replace dispatchable fossil units.

LIPA's IRP Summary Guide, available on our website, contains more information on these findings, as well as information on initiatives LIPA will undertake to address them.

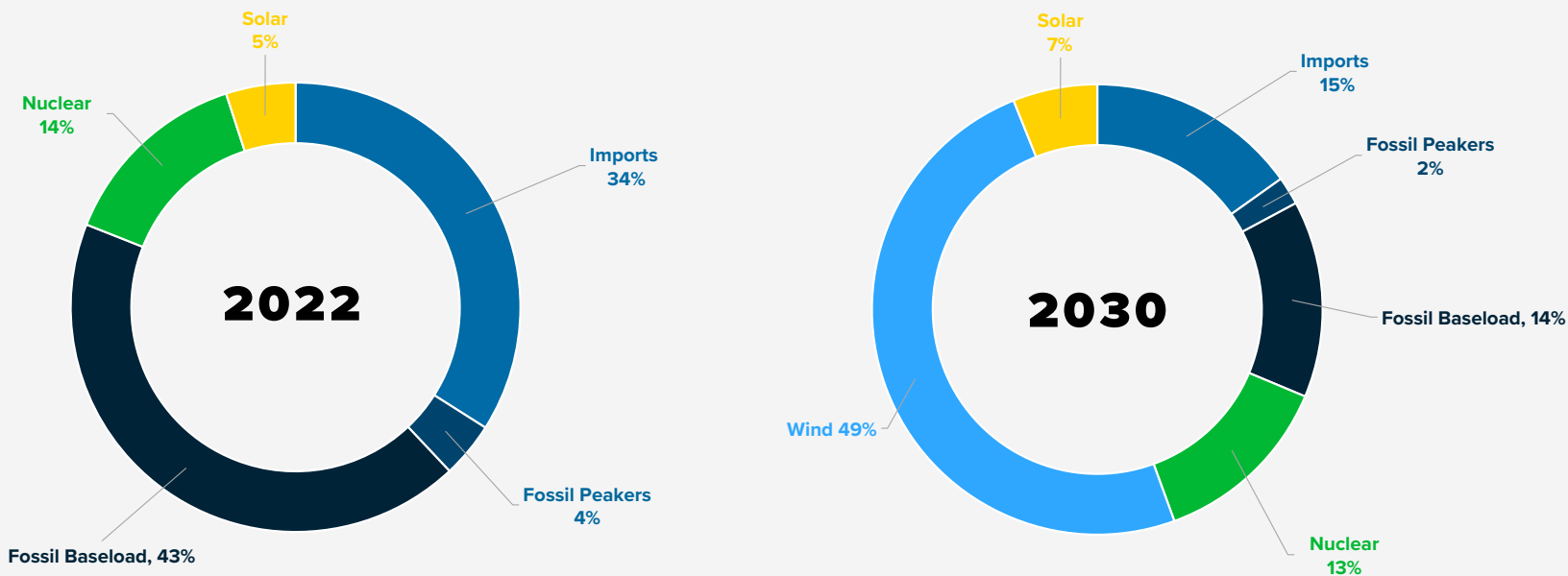
Figure 13: **Integrated Resource Planning Methodology**



OFFSHORE WIND WILL BE LONG ISLAND’S LARGEST SOURCE OF ENERGY

The Climate Act sets a goal of 9,000 MW of offshore wind energy by 2035, enough to power six million homes, and contracting and development activities are currently on track to meet this goal. **Figure 14 shows that offshore wind is poised to become the largest source of energy for Long Island and the Rockaways by 2030.**

Figure 14: Sources of Long Island Electricity Production in 2022 Compared to 2030



Note: The solar category includes both customer-owned solar and Long Island solar farms. Estimate excludes recently announced Excelsior Wind.

BUILDING OUT THE LONG ISLAND TRANSMISSION GRID FOR OFFSHORE WIND

With the influx of new clean energy from offshore wind, **state policymakers recognize that our region's transmission backbone must be expanded for offshore wind.** LIPA and Con Edison conducted technical studies in 2020 to assess the need for system expansion and, based on the results of the study, recommended to the New York State Public Service Commission (PSC) that additional transmission cables would be needed to enable offshore wind to be transmitted from Long Island to the rest of the state. In 2021, the PSC declared a Public Policy Transmission Need (PPTN) and directed the New York Independent System Operator (NYISO) to procure the necessary transmission development, with costs to be shared by electric customers statewide.

In June 2023, the NYISO selected a project proposed by Propel New York Energy, a consortium of the New York Power Authority and New York Transco LLC. **The Propel New York Energy transmission project is a \$3.3 billion investment that will greatly enhance the ability of the Long Island grid to integrate offshore wind as well as import firm energy during wind lulls (see Figure 15).**

Project features will include:

- Three new high-voltage cables connecting Long Island to New York City and Westchester County.
- Corresponding increases in transfer capability between Long Island and the rest of the state for import and export of energy.
- Capacity to handle the full output of 3,000+ MW of offshore wind interconnected to Long Island without curtailment.
- Improved system operational flexibility.

Figure 15: Improving the Long Island Transmission Backbone for Offshore Wind



SOUTH FORK WIND

LEADING THE WAY WITH NEW YORK'S FIRST OFFSHORE WIND FARM

LIPA's South Fork Wind project, New York's first offshore wind farm, continues to progress toward commercial operation, which is expected by early 2024. The South Fork Wind project is the result of a LIPA-led initiative to meet the growing energy needs of Long Island's South Fork. South Fork Wind was one of 21 projects proposed in response to a 2015 LIPA Request for Proposals. In January 2017, the LIPA Board of Trustees approved a power purchase agreement to buy energy from the project, which was the **first offshore wind farm to be contracted in federal waters**. The project is being developed by Ørsted and Eversource.

South Fork Wind was initially proposed as a 90-megawatt project. In November 2018, LIPA agreed to purchase an additional 40 megawatts of clean energy from the project – extra power available from improving turbine technology.

Years in the making, final project approval was granted by the U.S. Department of the Interior's Bureau of Ocean Energy Management in January 2022 with significant milestones made since, including:

- **Groundbreaking** – February 2022
- **Onshore cable installation** – May 2023
- **First monopile foundation** – June 2023
- **Offshore wind substation installation** – July 2023
- **Onshore substation completion** – August 2023
- **First turbine installation** – November 2023

The wind farm consists of 12 Siemens wind turbine generators, running 318 feet in blade length and spanning over 656 feet in rotor diameter – about the length of two football fields. Located 35 miles east of Montauk Point, South Fork Wind will deliver power to the local substation in the Town of East Hampton through undersea and underground transmission cables from the offshore wind farm.

South Fork Wind is an important part of Long Island's ability to meet our share of the statewide goals and once complete, South Fork Wind will add enough renewable electricity to the Long Island grid to power 70,000 homes and offset 300,000 tons of carbon emissions yearly.



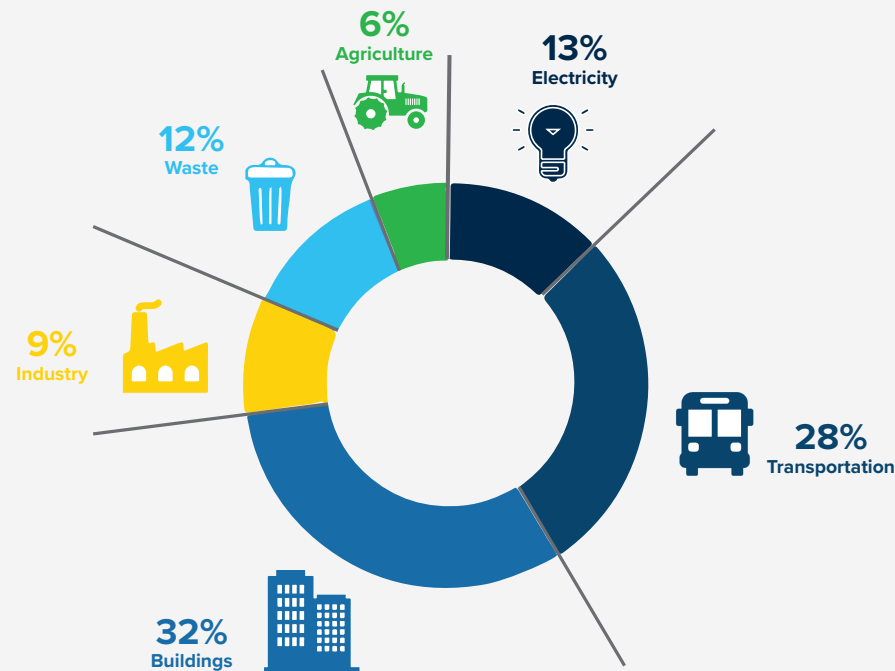


THE ELECTRIC GRID WILL POWER NEW YORK'S LOW-CARBON ENERGY FUTURE

Electric vehicles (EVs) and heat pumps are key pillars of the state's policy to achieve an 85% reduction in economywide greenhouse gas emissions by 2050. **Most of New York's carbon emissions come from transportation and the heating of residential and commercial buildings**, as shown in Figure 16. New York aims to achieve a zero-carbon electric grid by 2040 and then use that grid as the fuel of the future for transportation and heating.

New York is phasing out the sale of most internal combustion engine cars by 2035, and studies show that one to two million New York homes will need to be electrified with heat pumps by 2030, including all new single-family and low-rise residential buildings and 10-20% of commercial space heating, to meet Climate Act objectives.

Figure 16: **New York State Carbon Emission Sources**



Source: [New York State Department of Environmental Conservation 2022 Statewide GHG Emission Report](#)



DECARBONIZING TRANSPORTATION THROUGH ELECTRIC VEHICLES

Long Island and the Rockaways have 41,000 registered EVs, which is approximately 21% of the electric vehicles in New York as compared to approximately 13% of the state’s electric load. With new federal tax credits, limited maintenance requirements, and low fuel costs, lifetime ownership costs of EVs are on par with internal combustion engine vehicles, while the cost of batteries, a significant component of EVs, will continue to decline with improved technology and the maturity of the supply chain. **LIPA anticipates that EV adoption will increase significantly and is planning for and supporting that transition by its customers.**

LIPA has a variety of programs and activities to support EVs, including:

- Offering customers savings opportunities through Time-of-Day rates, which

provide super off-peak electric rates to encourage nighttime charging, with savings for a typical EV customer of \$56.50 per month.

- EV hosting capacity maps to assist developers in finding suitable locations for EV fast charging.
- Incentives and rebates for developers to install EV Level 2 and fast chargers.

LIPA has a \$66 million plan to build out the infrastructure to support more than 4,550 chargers across Long Island and the Rockaways by 2028, as shown in Figure 17. LIPA’s EV incentives include rebates for Level 2 EV chargers and fast chargers, with higher levels of support provided for chargers in disadvantaged communities. LIPA continues to study the EV charging market and plans to make continued enhancements to programs to support the electrification of transportation.

Figure 17: Publicly Available Electric Vehicle Chargers in LIPA’s Service Territory

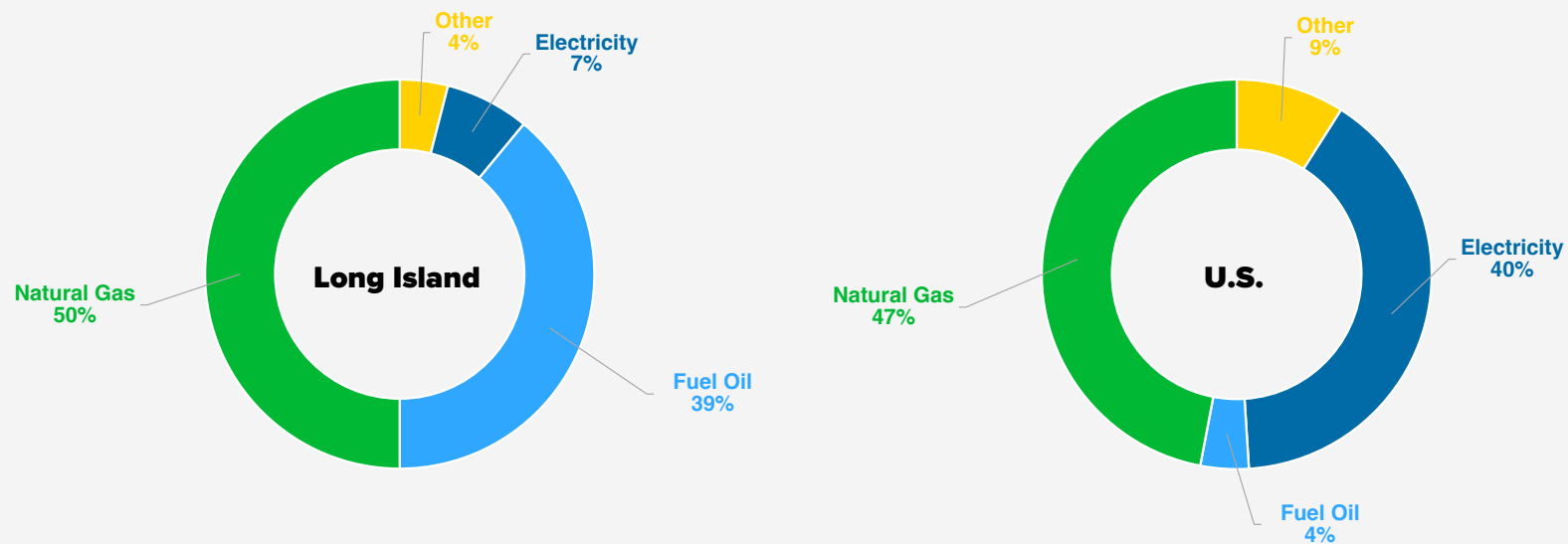
PORT TYPE	2021	2022	2023	2024	2025	2026	2027	2028	TOTAL
	ACTUAL	ACTUAL	LIPA TARGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	
LEVEL 2	0	87	400	293	558	774	1,007	933	4,052
DC FAST CHARGER	48	100	103	54	68	47	47	30	498
TOTAL	48	187	503	347	626	821	1,054	964	4,550

BUILDING DECARBONIZATION AND ELECTRIC HEAT PUMPS

LIPA is particularly focused on the electrification of heat because Long Island and the Rockaways are an ideal market for heat pumps – 39% of homes heat with oil, as shown in Figure 18. That’s about ten times the national average, and these homes could potentially save a lot of money by switching to a heat pump (see Figure 19 on page 51). Meanwhile, 40% of homes nationally heat with electricity.

With LIPA rebates and new federal tax credits, LIPA estimates that between 400,000 and 500,000 Long Island and Rockaways households could save money by installing a cold climate heat pump. This presents an extraordinary opportunity to help customers save money and accelerate New York’s decarbonization. These savings opportunities are primarily available when customers are replacing existing air conditioning or heating equipment or for new construction.

Figure 18: Long Island Homes Heat with Oil at Ten Times the National Average



Source: 2021 American Community Survey, U.S. Census Bureau

ELECTRIC HEAT PUMPS

Figure 19 shows the economic and carbon impact for a typical Long Island single-family home that heats with fuel oil and needs to replace an aging central air conditioning unit. **A cold climate heat pump could reduce heating costs for a home with oil heat by approximately \$2,300 per year and reduce carbon emissions by 46%.** The additional cost of the heat pump would pay for itself in less than one year. There are additional incentives available for low-income households. As the carbon intensity of the electric grid declines over the next twenty years, the carbon reduction from using a heat pump will approach 100%.

In new construction, heat pumps pay for themselves immediately because builders avoid the upfront cost of installing fossil fuel equipment and separate air conditioners, as heat pumps also provide air conditioning. Figure 20 shows the savings from installing a heat pump instead of a gas furnace in a newly constructed home. With LIPA rebates and federal tax credits, the upfront savings from the heat pump are approximately \$4,700, and the annual savings are \$931.

Figure 19: Heat Pumps Save Money and Carbon for Oil Heat¹

Existing Building - Oil Burner	Buy New Central Air Conditioning	Buying New Air-Source Heat Pump
Upfront Cost	\$7,278	\$16,687
LIPA Rebate*	-	(\$5,383)
Federal Tax Credit*	-	(\$2,000)
Net Cost	\$7,278	\$9,304
Annual Home Heat Bill	\$3,824	\$1,487
Annual Savings	-	\$2,336
Payback Period	-	0.9 years
Carbon Footprint from Heating (2022)	-	-46%
Carbon Footprint from Heating (2040)	-	-100%

Figure 20: Heat Pumps Save Money and Carbon for New Construction¹

New Construction - Gas Furnace	Buy New Central Air Conditioning + Gas Furnace	Buying New Air-Source Heat Pump
Upfront Cost	\$14,080	\$16,687
LIPA Rebate*	-	(\$5,383)
Federal Tax Credit*	-	(\$2,000)
Net Cost	\$14,080	\$9,304
Annual Home Heat Bill	\$2,366	\$1,435
Annual Savings	-	\$931
Payback Period	-	Immediate
Carbon Footprint from Heating (2022)	-	-25%
Carbon Footprint from Heating (2040)	-	-100%

The examples shown above are typical, however, every home is different. LIPA recommends getting quotes from several contractors to estimate how much you might save from installing a cold climate heat pump.

¹ These examples reflect an average Long Island End Use Load Profile built by NREL. Fuel price assumptions include a retail residential natural gas price of \$19.62/MMBtu, the average monthly price between Aug 2022 and July 2023 published by the [U.S. Energy Information Association](#), and a retail fuel oil price of \$4.59/gallon, which is the weekly average home heating oil price for the Long Island region during the period between Oct. 2022 and Oct. 23 | Published by [NYSERDA](#).

TIME-OF-DAY RATES

LIPA's new standard rate for residential customers will be a Time-of-Day rate beginning in January 2024. Customers will also be able to choose an optional flat rate or a super off-peak TOD rate. Most customers will be transitioned to this new TOD rate in 2025.

With the new TOD rates, customers will pay different rates for electricity based on when they use it. Electric rates will be higher during weekdays from 3 p.m. to 7 p.m. ("peak" hours) but lower all other hours and on weekends and holidays.

Most customers (more than 80 percent) will pay the same or less on the new TOD rates without changing how or when they use electricity. That's because most customers already use most of their energy off peak. Customers who make small changes in their daily routines can save even more, as shown in Figure 21.

Notably, customers with electric vehicles or home energy storage systems can save \$50-100 per month by charging at night instead of during peak hours. TOD rates are also favorable for customers who use heat pumps, where energy consumption is higher overnight. **Developing and implementing these new electric rates are crucial to managing the sales growth and peak demand from the electrification of transportation and heating.**

In terms of decarbonization, power generated during peak demand hours emits up to 50% more carbon than electric generation outside of those hours. The generating units that run during peak hours are significantly less efficient.

To help customers transition to the new TOD rates, LIPA will offer a **Bill Protection Guarantee for a customer's first year on the TOD rate. If after 12 months a customer's electric bill on the TOD rate is higher than it would have been on the flat rate, LIPA will automatically refund the difference.**

More information can be found in LIPA's [fact sheet](#) about the TOD rate.

Figure 21: Time-of-Day Rate Comparison

Initial Savings (Before any Changes to Electric Use)	TOD Rate (Save before 3 p.m. or after 7 p.m.)	Super Off-Peak Rate (Smaller savings before 3 p.m. or after 7 p.m. and larger discounts between 10 p.m. and 6 a.m.)
	Save \$3.50 per month	Save \$5.75 per month
Dishwasher	Save \$0.50 per month	Save \$1.50 per month
Washing Machine	Save \$1.75 per month	Save \$4.50 per month
Electric Dryer	Save \$2.25 per month	Save \$6.00 per month
Pre-Cool Home (Before 3 p.m.)	Save \$12.75 per month (in the summer)	Save \$13.75 per month (in the summer)
Pool Pump	Save \$4.00 per month (in the summer)	Save \$6.50 per month (in the summer)
Battery Storage Optimized Use	Save \$40.00 per month	Save \$51.25 per month
Electric Vehicle	Save \$43.50 per month	Save \$56.50 per month
Total Savings (including changes)	Save up to \$91.50 per month (\$108.25 in the summer)	Save up to \$125.50 per month (\$147.75 in the summer)

MAKING A DIFFERENCE IN OUR COMMUNITY

As a public power utility, LIPA's purpose is to serve our customers and community. Under the direction of our Board, we **put our customers first in all our actions**, including by supporting community events, educational programs, and selected grants that further clean, reliable, and affordable energy for Long Island and the Rockaways.

Here are a few selected initiatives we took on over the past year on behalf of our customers and community.

JONES BEACH ENERGY & NATURE CENTER

In September 2020, LIPA, together with New York State Parks, Recreation, and Historic Preservation, opened a new Energy and Nature Center at Jones Beach State Park.

Located on the beachfront of one of Long Island's iconic barrier islands, the 12,000-square-foot complex is a net-zero energy building. Through a variety of hands-on and accessible indoor and outdoor exhibits, educational programming, and public events, the center showcases ways to be a conscientious steward of our environment and a smart energy consumer — creating a more resilient and sustainable future.

During 2023, LIPA began developing new energy exhibits to inform visitors about electricity and the clean energy transition, including what visitors can do to reduce their carbon footprint and energy bill. These new energy exhibits are scheduled to open to the public in 2024.

For more information, visit jonesbeachenc.org.





COMMUNITY COLLEGE SCHOLARSHIP

Last year, **LIPA announced a Community College Scholarship to fund 50 scholarships over five years** for students attending either Nassau or Suffolk County Community College seeking education and training in careers related to the electric utility industry. The LIPA Scholarship provides full tuition, fees, and books to students with the goal of attracting local talent from specified underserved communities to meet the needs of our clean energy future. To learn more, visit lipower.org/scholarship.

In partnership with the **International Brotherhood of Electric Workers Local 1049**, LIPA and PSEG Long Island will be expanding our efforts with our local community colleges in 2024 to include a Lineworker Certification Program. This 13-week program will help students develop the fundamental skills required to build and maintain LIPA's electric grid. One of the objectives of this new program is to broaden our outreach to new underrepresented populations in our community.

CLEAN ENERGY TRANSPORTATION AWARD

Over the next three years, LIPA has pledged \$7 million to the New York Clean Transportation Prize program. Administered by the New York State Energy Research and Development Authority (NYSERDA), the program funds projects designed to enhance clean transportation, improve mobility options, and reduce harmful emissions through innovative transportation solutions. Members of LIPA staff served as judges for the competition.

LIPA's grant funds **Circuit Transit**, who will be implementing a micro-EV transportation system in the **Rockaways** and **Brentwood**. Circuit Transit's shared shuttle service aims to provide convenient and affordable connections for short trips, reducing congestion and emissions. Riders can request free on-demand rides through a mobile app, phone, or by waving down a car. The service uses battery electric vehicles and operates in collaboration with community partners.

Thomas Falcone, CEO of LIPA with Dr. Edward Bonahue, President of Suffolk County Community College and Dr. Maria Conzatti, Interim President of Nassau Community College at the Jones Beach Energy & Nature Center for the LIPA Scholarship Program announcement in 2023.



ISLAND HARVEST SOLAR GRANT

LIPA pledged **\$40,000** to **Island Harvest** to install rooftop solar at their Melville facility. **The solar array will reduce Island Harvest's carbon footprint and operating costs, enabling savings to be reinvested to benefit those in need.** Island Harvest is one of Long Island's leading hunger relief organizations, supporting 300,000 individuals a year through programs to end hunger, support nutrition, and develop workforce skills.

UNITED WAY NET-ZERO GRANT

LIPA awarded a **\$200,000** grant to the **United Way of Long Island** to support transforming its 31,000-square-foot headquarters in Deer Park into a "net zero" building with rooftop solar, high-performance air-source heat pumps, and electric vehicle charging. **United Way will save \$60,000 per year on energy costs that will be reinvested back into its core mission of supporting Long Island.** Construction on the facility began in 2023 and is expected to be completed in 2024. Among other great programs, United Way trains disadvantaged young adults and veterans in clean energy jobs at this location, many of whom are helping with the construction of the new building.

ASCEND LONG ISLAND MINORITY AND WOMEN-OWNED BUSINESS SUPPLIER DEVELOPMENT GRANT

LIPA committed **\$75,000** to **Ascend Long Island, a partnership with Hofstra University and other organizations to nurture and expand the ability of minority and women-owned businesses in Nassau and Suffolk counties and the Rockaways to contract with larger corporations.**

This collaboration will further enhance opportunities in the energy sector, ensuring that the benefits of the state's Climate Act are equitably distributed.

Island Harvest President and CEO Randi Shubin Dresner is pictured accepting the donation from LIPA CEO Tom Falcone.



PUBLIC POWER AWARDS

The American Public Power Association (APPA) is a not-for-profit organization, representing community-owned utilities that power 2,000 towns and cities nationwide. Each year, the APPA recognizes excellence in electric utility operations and leadership with numerous awards and honors in public power.

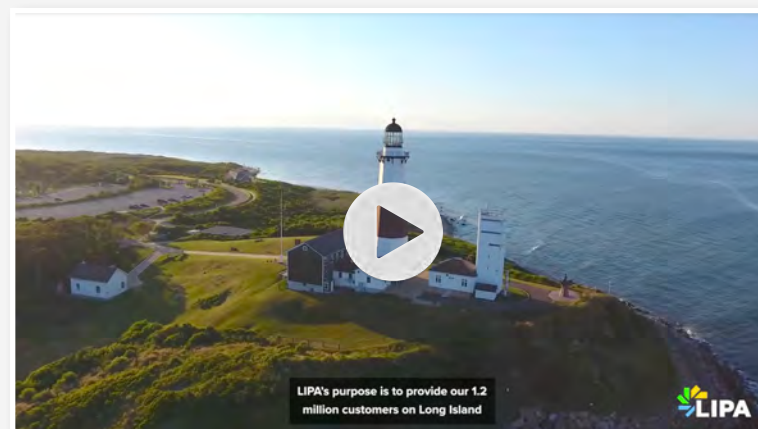
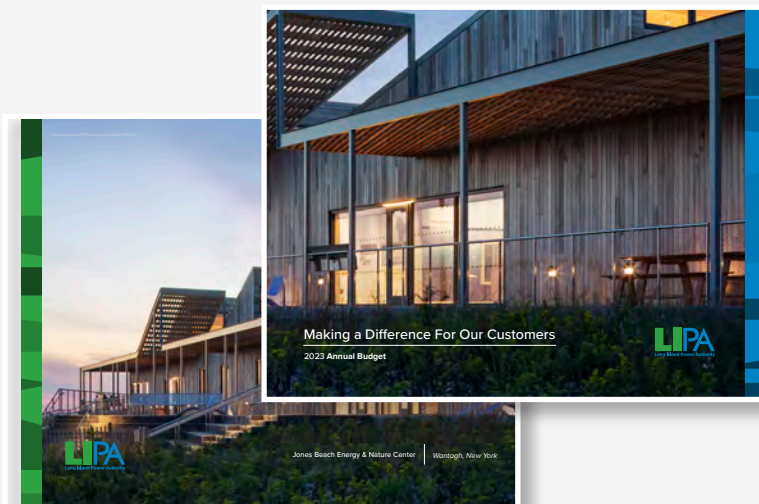
To learn more, visit publicpower.org.

SUE KELLY COMMUNITY SERVICE AWARD

At the 2023 APPA National Conference in Seattle, Washington, **LIPA was awarded the Sue Kelly Community Service Award, which “recognizes ‘good neighbor’ activities that demonstrate the commitment of the utility and its employees to the community.”** LIPA's CEO Tom Falcone and Former Board Vice Chair Mark Fischl were on hand to accept the honor on behalf of LIPA for the work done to benefit the communities throughout our service territory.

EXCELLENCE IN COMMUNICATIONS AWARDS

LIPA was also recognized by the APPA with two 2023 Excellence in Public Power Communications Awards: one for LIPA's 2023 Budget Report and another for a video about LIPA that was shared on social media. Both award-winning products were created in-house by LIPA staff.



APPA ACADEMY NATIONAL CONFERENCE



SECTION II: BUDGET BY THE NUMBERS



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2024 PROPOSED BUDGET

The proposed 2024 Budget consists of an Operating Budget of \$4.3 billion and a Capital Budget of \$855 million. The Operating Budget, shown in Figure 22, funds delivery and power supply costs, energy efficiency and distributed energy programs, taxes, and debt service. The Capital Budget, shown in Figure 23, funds long-life infrastructure investments such as transmission lines, substations, poles, wires, and storm hardening as well as information technology, vehicle fleet, and other assets.

Figure 22: 2024 Proposed Operating Budget

2024 Proposed Operating Budget (\$ thousands)	
Operating Revenues	4,190,774
Grant & Other Income	97,636
Total Revenue & Income	4,288,410
Power Supply Costs	1,832,067
Delivery Costs	947,862
PILOTs, Taxes & Fees	537,963
Interest Payments	414,652
Debt Reduction	555,866
Operating Budget	4,288,410
Fixed Obligation Coverage	
LIPA Debt Plus Leases	1.40x
LIPA & UDSA Plus Leases	1.26x

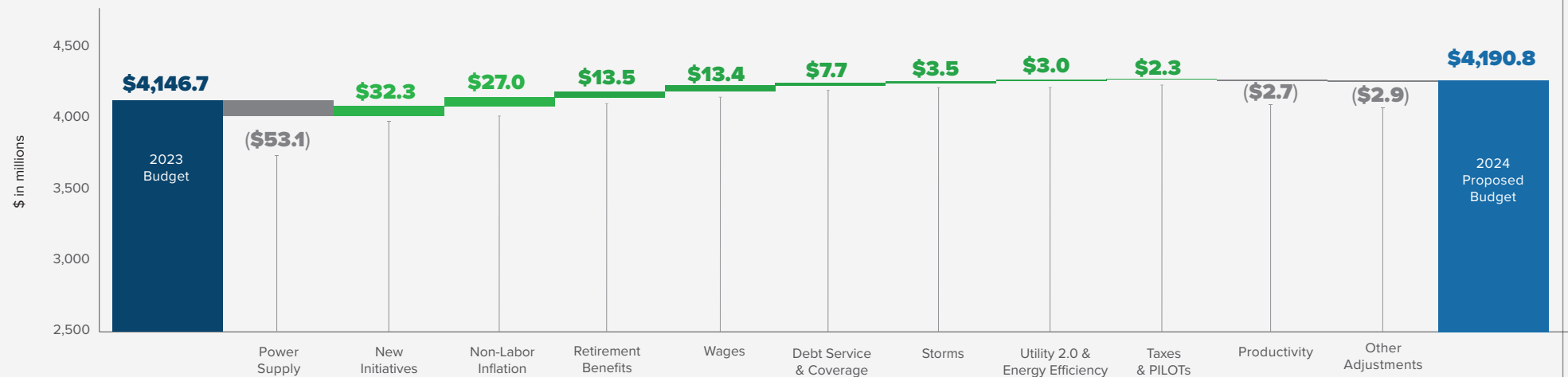
Figure 23: 2024 Proposed Capital Budget

2024 Proposed Capital Budget (\$ thousands)	
Capital Projects	783,297
Storm Hardening	71,740
Capital Budget	855,037
Funding from Operating Budget	282,078
FEMA Grant	4,626
Debt Issued to Fund Projects	568,333
Funding Sources	855,037
Percent of Capital Projects Funded from Debt	66%

OPERATING BUDGET CHANGES

The 2024 Operating Budget includes operating revenues of \$4.19 billion, an increase of \$44.1 million (1%) as compared to the 2023 Budget of \$4.15 billion. Increases for new initiatives (\$32 million), non-labor inflation (\$27 million), retirement benefits (\$14 million), wages (\$13 million), and debt service net of interest income (\$8 million) were mostly offset by a reduction in budgeted power supply costs (-\$53 million). Each of the major components are further described below.

Figure 24: 2024 Operating Budget as Compared to 2023



POWER SUPPLY COSTS BUDGETED \$53 MILLION LOWER IN 2024

LIPA purchases electricity, natural gas, and fuel oil daily to meet customers' needs. LIPA budgets for power supply costs at prevailing market prices, which are reconciled to actual costs through a Power Supply Charge that changes each month and appears as a separate line item on customer bills. As a public power utility, LIPA does not profit from any of its operations.

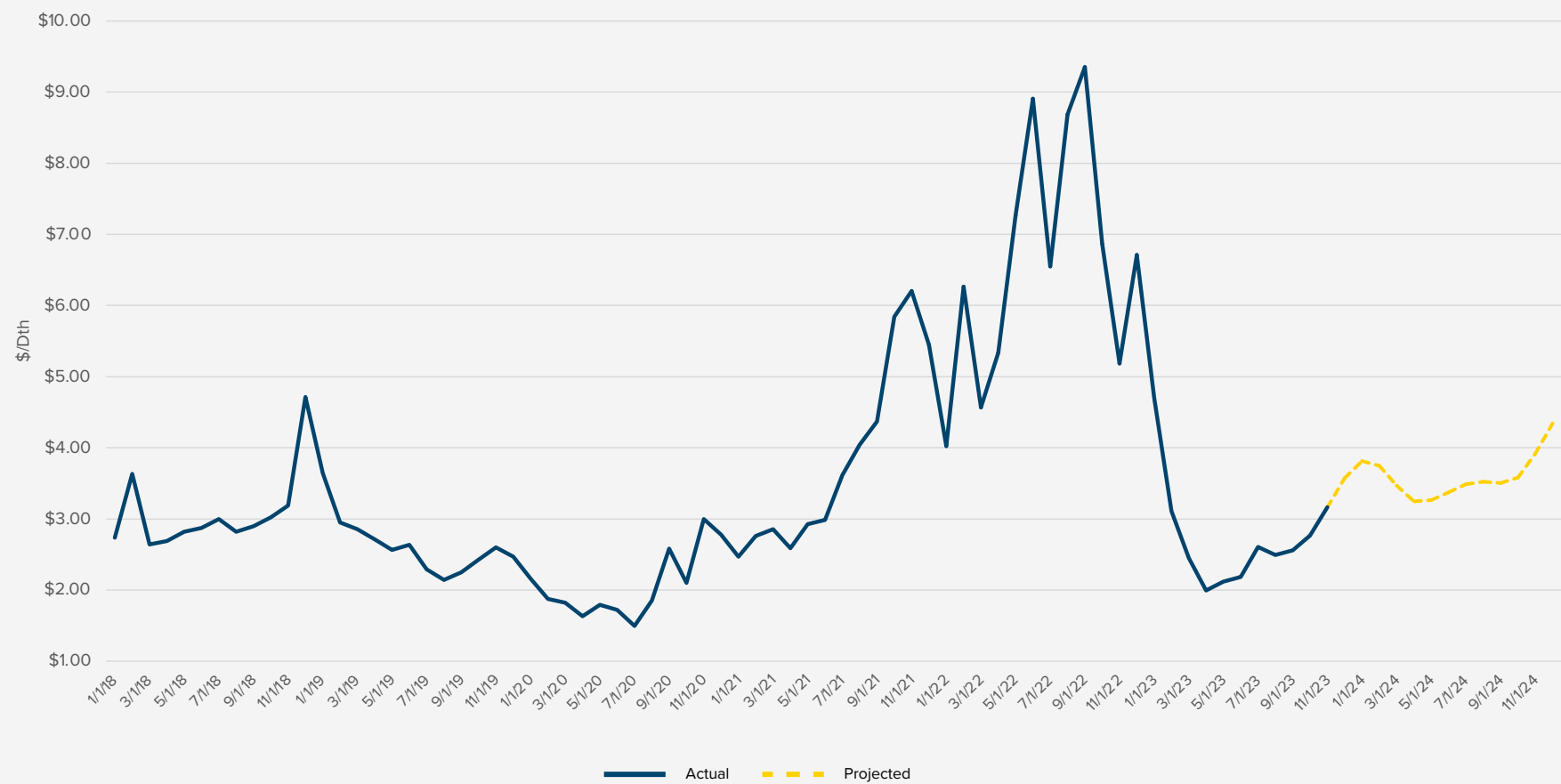
LIPA's power supply costs are expected to be \$53 million (-3%) lower in 2024 than the 2023 budget. While budgeted power supply costs will decline, power supply costs in 2024 are projected to be \$237 million higher than actual costs in 2023.

The wholesale market price of natural gas and other commodities increased dramatically starting in 2021 and has been extremely volatile since. Actual power supply costs in 2023 are estimated to end the year \$290 million below budget due to falling commodity prices during the year. However, **electricity and fuel prices are projected to be higher in 2024 than in 2023**, as shown in Figure 25.

The largest factors contributing to the \$237 million increase in power supply costs in 2024 as compared to actual 2023 costs are (i) a \$106 million increase in purchased power and commodity costs; (ii) a \$79 million increase in purchases of renewable energy, which offsets an estimated \$32 million in purchased power and commodity costs; and (iii) a \$74 million increase in property taxes on power plants (related to a \$114 million one-time credit to customers in 2023 that resulted from a tax settlement that changed the timing of LIPA's property tax payments). These increases are partially offset by \$23 million in reductions in costs for Nine Mile Point nuclear fuel and Regional Greenhouse Gas Initiative allowances.

While purchased power and commodity costs are projected to be higher in 2024, many factors can affect the prices ultimately paid by customers, including geopolitical events (i.e., invasion of Ukraine in 2022), hurricanes in the Gulf states, pipeline availability, and weather (i.e., a colder or warmer than expected winter). LIPA hedges a portion of its power supply and commodity costs to reduce the volatility of prices paid by customers in the Power Supply Charge, although hedging will not eliminate these price risks.

Figure 25: Henry Hub Natural Gas - Historic and Forward Prices (As of 10/31/2023)



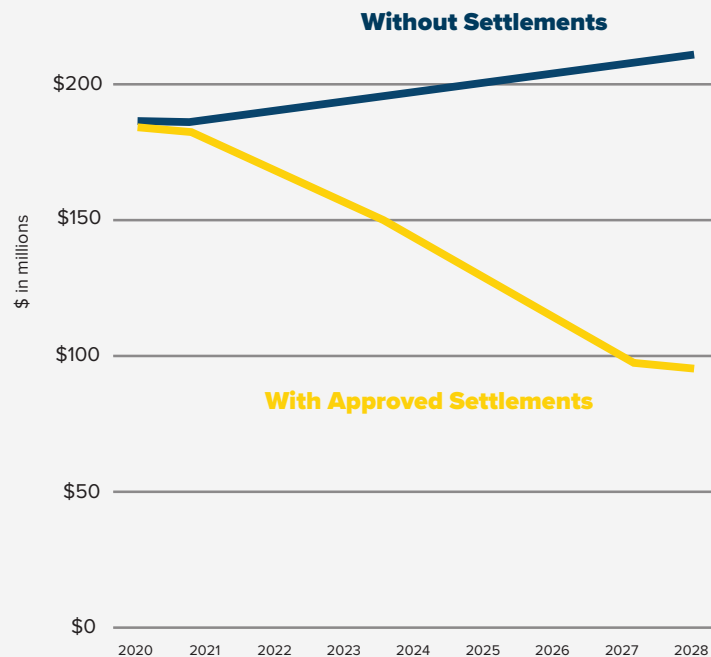
POWER PLANT TAX SETTLEMENTS WILL SAVE CUSTOMERS \$554 MILLION THROUGH 2028

Taxes are LIPA's second-largest expense at \$697 million or approximately 17% of customer bills. While property taxes fund valuable public services, including schools, public safety, and transportation, the taxes paid on older power plants are disproportionately high due to overassessments that have raised the costs of power for Long Island electric customers for nearly three decades.

To improve affordability and fairness for our customers, LIPA focused on lowering the tax bills on the four highest-taxed properties: vintage, fossil-fueled power plants located in Northport, Port Jefferson, Island Park, and Glenwood Landing. **Between 2018 and 2022, LIPA finalized four settlements related to these plants – closing the chapter on a decades-old issue and saving customers \$554 million through 2028**, as shown in Figure 26.

The fair compromises reached over the past few years assist local communities in adjusting to a more sustainable tax base over several years, guarantee continued tax payments to the host school districts through 2027, and protect local taxpayers from hundreds of millions of dollars of refund liability for past tax overassessments.

Figure 26: **\$554 Million in Power Plant Tax Savings Through 2028***



*Cumulative annual property tax savings for customers

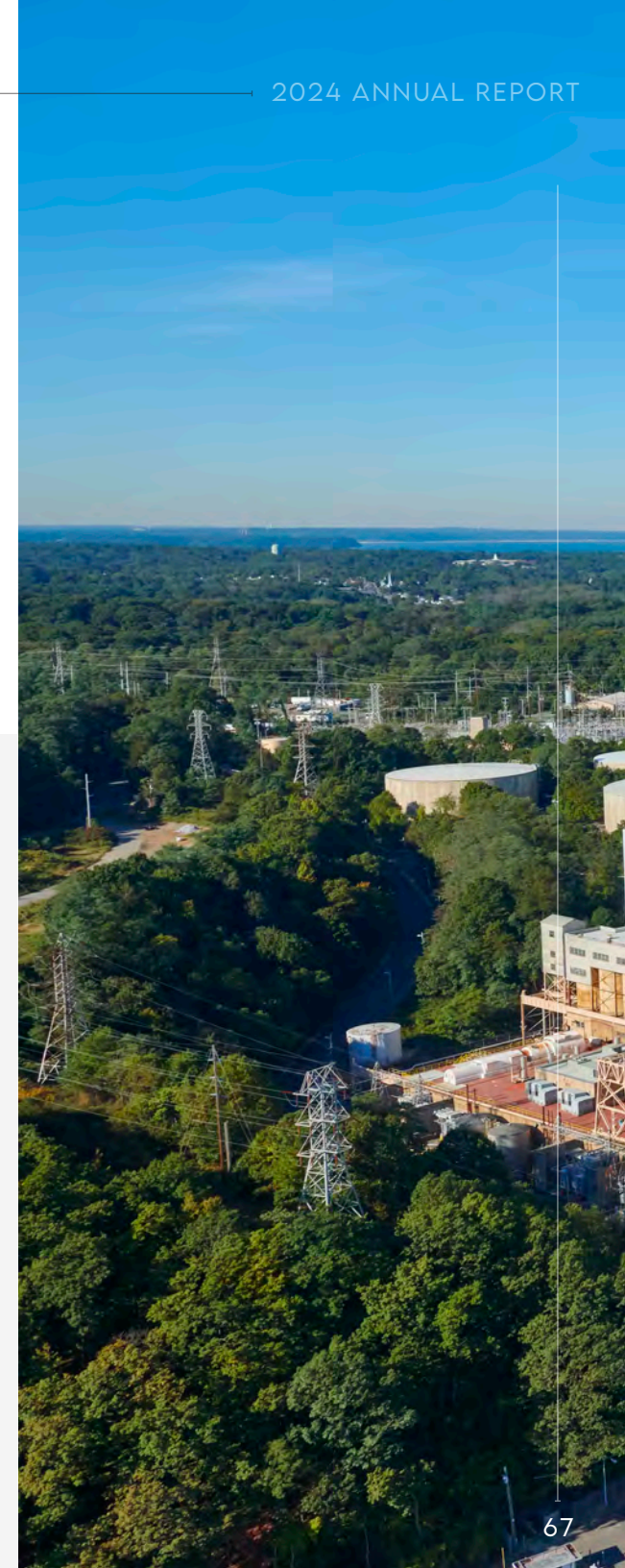
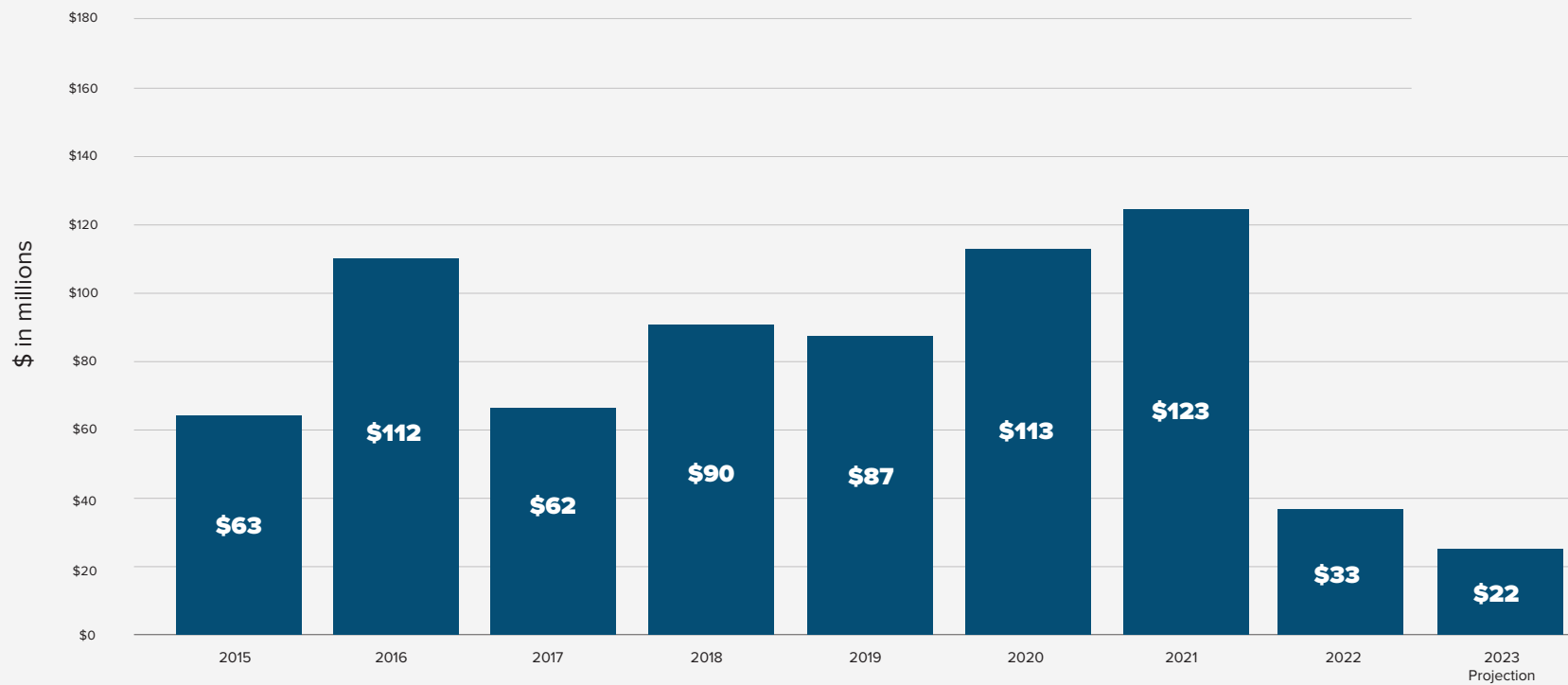




Figure 27: **Changes in Other Major Categories of the Operating Budget**

New Initiatives	New initiatives are budgeted at \$32 million for 2024, including investments to improve management and the reliability of the electric grid, cybersecurity initiatives, support for the transition to TOD rates, and planning for new IT systems. To learn more about 2024 performance metrics, please see page 22.
Non-Labor Inflation	PSEG Long Island's non-labor expenses are budgeted to increase \$27 million (6%) in 2024 based on inflation.
Retirement Benefits	Retirement benefits for PSEG Long Island employees (including pensions and post-employment benefits) are budgeted to increase \$14 million. This increase largely stems from completing the shift of funding post-employment benefits from fixed obligation coverage into revenue requirements.
Wages	Wages are projected to increase \$13 million (4%) in 2024.
Debt Payments and Cash Contributions to Capital Projects	Debt service payments and related coverage (i.e., the cash contribution to capital projects in lieu of issuing debt) are budgeted to increase \$8 million (1%) in 2024. This is comprised of an increase in debt service payments of \$21 million and an increase in associated fixed obligation coverage (i.e. cash contributions to capital projects) of \$33 million offset by higher investment income and lower interest costs of \$46 million.
Storm Budget	LIPA's storm budget funds the preparation, response, and repairs necessary to restore electric service after major storms. The storm budget of \$84 million reflects an increase of \$4 million (4%) in 2024. As shown in Figure 28, storm costs are extremely volatile depending upon the severity of weather events. The storm budget provides a sufficient level of funds to address typical storm costs each year.
Utility 2.0 & Energy Efficiency	Utility 2.0 and Energy Efficiency funding supports programs designed to promote energy efficiency, clean energy, and beneficial electrification. The budgets are based on an annual filing made by PSEG Long Island with LIPA and the Department of Public Service in July of each year. The Utility 2.0 and Energy Efficiency budget will increase by \$3 million (3%) in 2024.
Taxes & PILOTs	Taxes and PILOTs are budgeted to increase \$2 million (2%).
Productivity Initiatives	PSEG Long Island is reducing operating expenses by -\$3 million (-1%) in 2024 through productivity enhancements and efficiencies.
Other Adjustments	Miscellaneous other items will decrease by -\$3 million in 2024.

Figure 28: **LIPA Storm Costs (in \$ millions)***



** Excludes storm costs that were reimbursed by FEMA grants.*

HOW ARE LIPA BUDGETS DEVELOPED?

Budgets are a plan of action expressed in dollars. The development of the budget starts with our Board of Trustees, who define LIPA's purpose and vision and set expectations for the strategic outcomes that management is expected to deliver in the areas of reliability, customer experience, clean energy, affordability, information technology, and fiscal sustainability (see Figure 1). These are concrete objectives like being ranked among the top 10% of peer utilities for reliability, delivering top 25% customer satisfaction, and achieving a zero-carbon electric grid by 2040.

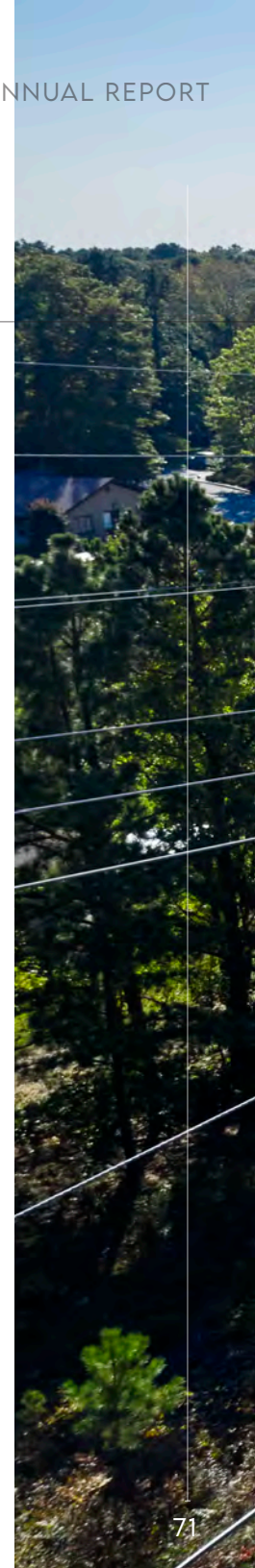
The Board's strategic outcomes are then distilled by management into [5-Year Strategic Roadmaps](#) that prioritize our efforts and resources toward those initiatives with the greatest benefit to our customers. Then each year, those **initiatives are translated into granular work plans, performance metrics, and budgets** for the Board's review and approval.

Our annual process of planning and budgeting draws from extensive and rigorous review to define performance metrics and make tradeoffs of cost and business benefits at the budget line-item level, yielding right-sized solutions that demonstrate stewardship of customer resources.

The 2024 Budget reflects months of effort by LIPA and PSEG Long Island staff, starting with initial budget and performance metric proposals in July and August 2023 and then moving to detailed line-item and project-level reviews in August, September, and October. The process results in a budget and performance metric proposal to the LIPA Board in November, with an independent recommendation by the Department of Public Service, for the Board's consideration in December, following public hearings.

This year, our process resulted in a LIPA budget and performance metric proposal for 2024 that fully funds inflationary increases and invests in new initiatives to meet the Board's strategic objectives, while reducing PSEG Long Island's initial operating budget submission by **\$75 million** and its capital budget submission by **\$51 million**. Our priority is not in reducing budgets simply to reduce them. It costs more to target, for example, top 10% reliability. Cutting the tree trim budget saves money, but also means worse reliability for our customers. **We want to make sure that our customers' dollars yield benefits for you, our customers.**

Throughout this process, LIPA serves as the customers' representatives. **As a not-for-profit public power utility, LIPA is a value-driven organization. We put our customers first in our actions and decisions.**





LIPA’S IMPROVING CREDIT RATINGS AND DECLINING LEVERAGE

In 2013, LIPA had the lowest credit ratings of any large public power utility and was paying higher interest rates and bank credit costs than other utilities.

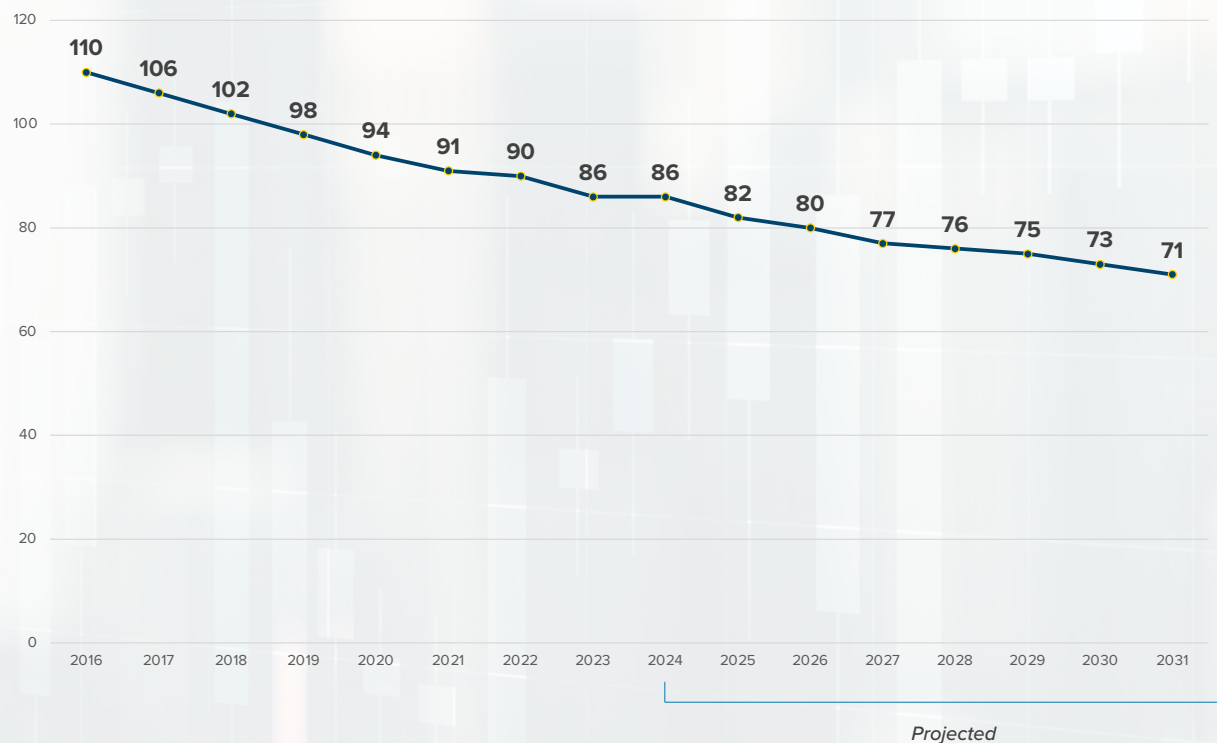
In 2015, the LIPA Board adopted a plan to reduce LIPA’s leverage and financing costs to industry levels. **This plan has proven successful and has resulted in four credit rating upgrades of LIPA’s bond ratings over the past decade**, as shown in Figure 29. **Strong management of LIPA’s debt portfolio has resulted in over \$680 million of savings for customers over this period.** And LIPA is on “positive outlook” for another upgrade from Fitch Ratings.

Figure 29: **LIPA Continues to Receive Credit Rating Upgrades**

	2013 Ratings (Outlook)	2023 Ratings (Outlook)	
Standard and Poor’s	A- (Negative)	A (Stable)	
Fitch Ratings	A- (Negative)	A (Positive)	
Moody’s Investor Service	Baa1 (Negative)	A2 (Stable)	

The Board's plan will reduce LIPA's debt-to-assets ratio from 110% in 2016 to 70% by 2030, as shown in Figure 30. By comparison, LIPA's debt-to-assets ratio was over 230% upon the acquisition of the Long Island Lighting Company in 1998, primarily because of the legacy of the Shoreham nuclear power plant. A 70% debt ratio is still on the higher end of the industry but with LIPA's other credit strengths will likely be sufficient to achieve the AA-category credit ratings that are typical for large public power utilities.

Figure 30: LIPA's Debt-to-Asset Ratio Compared to Public Power Peers



Public Power Utility	Bond Rating	Debt Ratio %
Salt River Project	Aa1	42%
OUC (Orlando)	Aa2	47%
Austin Electric	Aa3	48%
Seattle City Light	Aa2	55%
SMUD (Sacramento)	Aa3	57%
CPS Energy (San Antonio)	Aa1	58%
OPPD (Omaha)	Aa2	64%
LADWP (Los Angeles)	Aa2	65%
Average of Peer Group Members		55%

REDUCING COST TO CUSTOMERS THROUGH UDSA

In 2021, LIPA was successful in obtaining a bill in the New York State Legislature authorizing the issuance of additional Utility Debt Securitization Authority (UDSA) bonds. UDSA bonds have triple-A credit ratings and provide a lower cost of funding than issuing LIPA bonds for the same purpose.

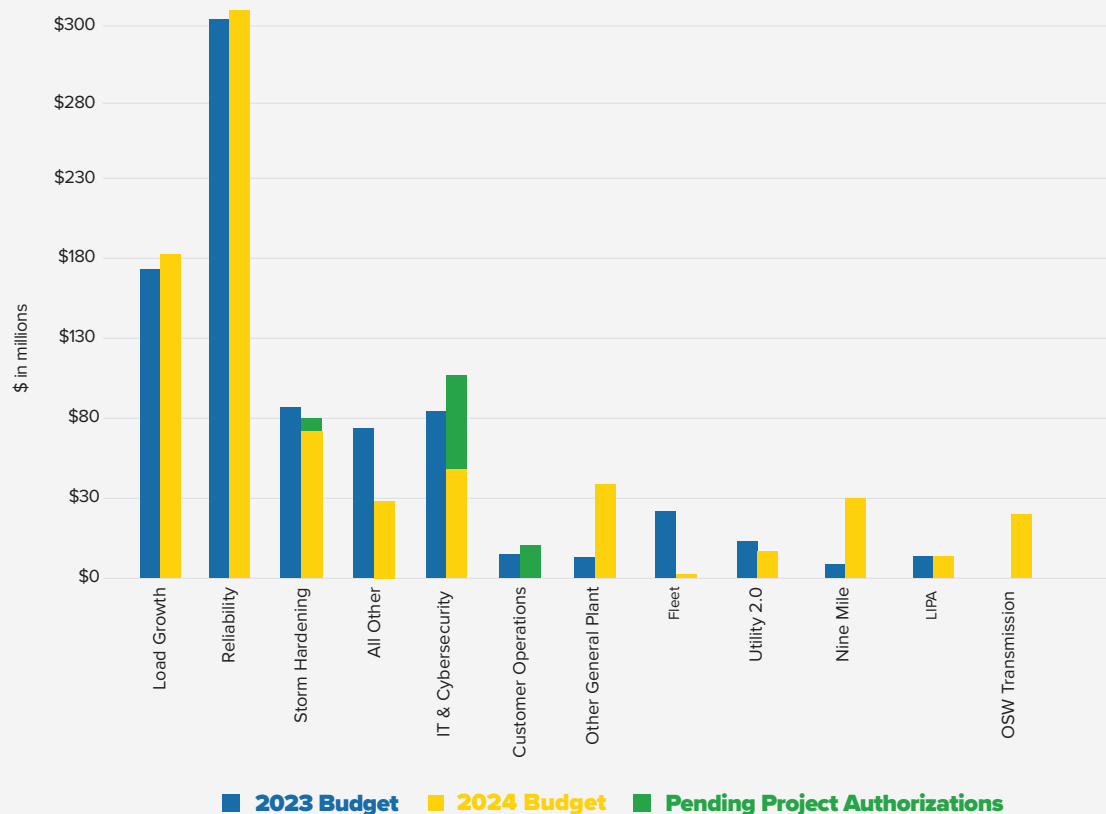
In 2022 and 2023, UDSA refinanced \$ 1.6 billion of LIPA and UDSA bonds achieving \$86.7 million of net present value debt service savings. UDSA also funded \$241 million of storm-hardening investments through the sale of “green bonds.” **In total, UDSA financings have saved LIPA customers \$579 million in net present value debt service savings to date.** For more information

For more information, visit lipower.org/udsa/investor-relations.

CAPITAL BUDGET CHANGES

The proposed 2024 Capital Budget is **\$855 million, a decrease of -\$7 million (-1%)** as compared to the 2023 Budget of \$862 million, as shown in Figure 31. The 2024 Capital Budget continues significant investments in the electric grid to enhance reliability, resiliency, and IT systems. Significant new items for 2024 include the addition of transmission projects for offshore wind and funds to develop a new operations yard. These are offset by a reduction in funds for fleet purchases due to supply chain delays, lower meter replacements, and delays to the deployment schedules for IT systems. The budget includes \$67 million for pending project authorizations, which are budgeted resources held outside of the PSEG Long Island Capital Budget pending additional project information. These primarily relate to initiatives in storm hardening (\$8 million), IT projects (\$37 million), cybersecurity (\$14 million), and customer service projects (\$7 million), as detailed in Section III.

Figure 31: Changes in the 2024 Capital Budget as Compared to 2023



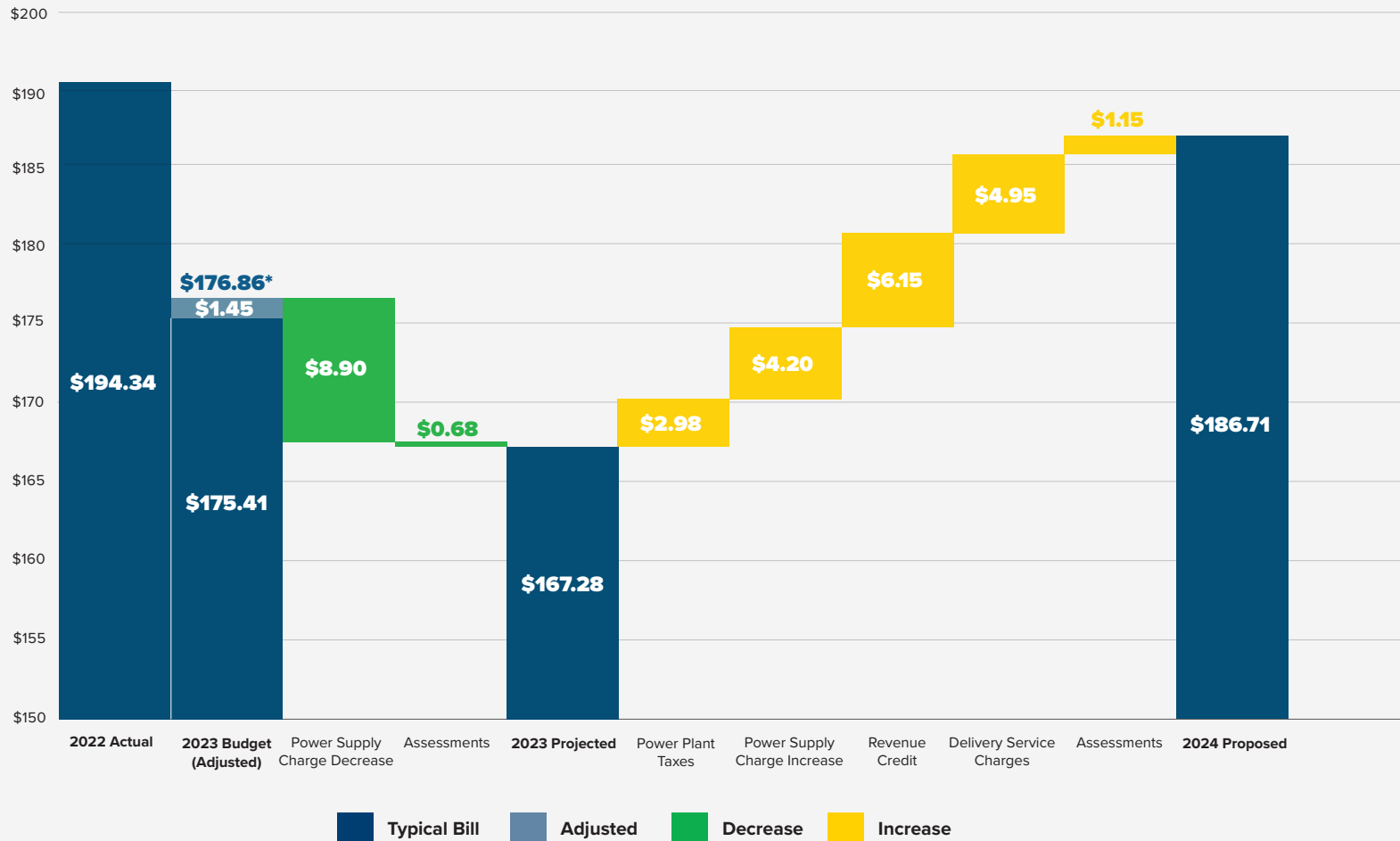
PROJECTED ELECTRIC BILLS FOR 2024

While LIPA's operating revenues are essentially flat as compared to 2023 (up 1%), the typical residential customer bill in 2024 is projected to be **\$11.30 (6.4%) higher than budgeted in 2023** and **\$19.43 (11.6%) higher than projected for 2023**, as shown in Figure 32. Five key reasons contribute to the forecast, including:

- 1** Residential bills are projected at **\$9.85 less per month than budgeted in 2023**, primarily due to lower-than-budget Power Supply Charges in 2023, as further described on page 65.
- 2** Power Supply Charges for 2024 are expected to increase by **\$7.18 per month**, as compared to actual costs in 2023. This increase consists of two components – **higher taxes on power plants** in 2024 related to the end of a one-time property tax credit to customers of \$114 million in 2023 (\$2.98 per month) and projected **higher purchased power, commodity, and renewable energy costs** (\$4.20 per month) in 2024, as also described on page 65.
- 3** The end of a one-time credit to customers of **\$6.13 per month in 2023 for higher-than-budgeted sales in 2022**. Each year, LIPA reconciles budgeted sales to actual sales for each customer class. If residential sales exceed the budget, as they did in 2022, the excess revenue is credited to customers the following year. Higher-than-budgeted sales in 2022 produced a refund of \$6.13 per month in 2023. However, residential sales were slightly below budget in 2023, resulting in a surcharge of \$0.02 per month in 2024 rather than a credit.
- 4** Delivery service charges are projected to increase **\$4.95 per month over 2023** to recover increases in operating expenses and property taxes, as further described on page 69.
- 5** Assessments and other reconciliations are projected to increase **\$1.15 per month** to recover the cost for COVID-19 customer arrears forgiveness programs implemented in 2023 (\$0.58), higher sales taxes and assessments (\$0.65), and higher Suffolk Property Tax Adjustment charges (\$0.45), offset by lower charges to pay for LIPA's energy efficiency, distributed energy resource, and electrification programs (-\$0.53).

The average electricity use per residential customer is projected to be essentially flat in 2024 at 715 kilowatt-hours (kWh) per month as compared to 716 kWh in 2023.

Figure 32: **Projected Change in Typical Residential Customer Bill in 2024**

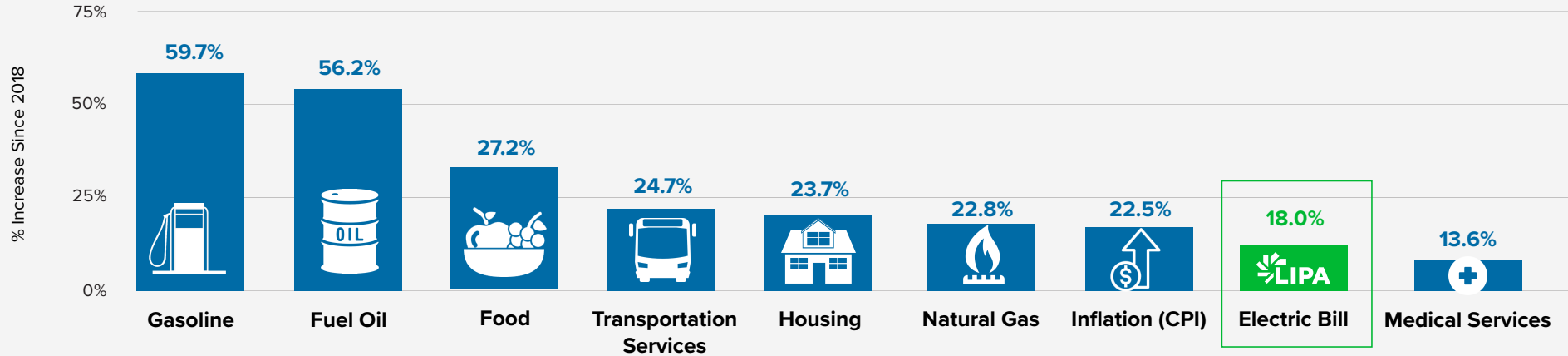


*Residential bills for 2023 (on a budget basis) were re-forecast \$1.45 higher per month to be comparable to the projected 2024 bill. The change results from a new estimating procedure implemented for the projected 2024 typical residential bill that LIPA believes is modestly more accurate.

LONG ISLAND AND ROCKAWAYS ELECTRIC BILLS REMAIN BELOW INFLATION

As the price of goods and services throughout the country has gone up, so have utility bills. Despite these challenges, LIPA remains committed to providing electricity at the lowest possible cost for customers. Electric bill increases remain below the rate of inflation, as shown in Figure 33.

Figure 33: **Rising Costs of Goods and Services Since 2018**



KEEPING COSTS LOW FOR CUSTOMERS

The LIPA Board has tasked staff with aggressively managing costs to minimize the burden on customers. Operating lean means achieving a balance between cost and service to get the most out of every dollar. Figure 34 shows the savings from operating lean for the 2024 Budget. These are the cumulative effects of many decisions and initiatives since 2014. **The \$1.2 billion of cost savings in 2024 equals 30% of electric bills, or about \$55 per month for a typical residential customer.**

Figure 34: **Saving Customers Over a Billion Dollars in 2024 from Operating Lean**

	(in \$millions)
LIPA Reform Act 2% Tax Cap	\$416
Discontinued Investments in Combined Cycle Plants	\$355
Refinancing Existing Debt and Debt Service Savings	\$142
LIPA Reductions to PSEG Long Island 2024 O&M Budget Request	\$75
Power Plant Property Tax Savings	\$66
Renegotiating Expiring Power Purchase Agreements	\$64
Reduction to Wholesale Market and Off-Island Transmission Costs	\$57
Smart Meter Savings	\$23
Investing in Cost-Effective Energy Efficiency	\$23
Operating Savings, Cost Avoidance, and Productivity	\$17
Power Supply Pension and Retirement Savings	\$8
Commodity Hedging (Based on Current Prices)	\$5
Total (in \$ millions)	\$1,251.0



ASSISTANCE FOR VULNERABLE CUSTOMERS

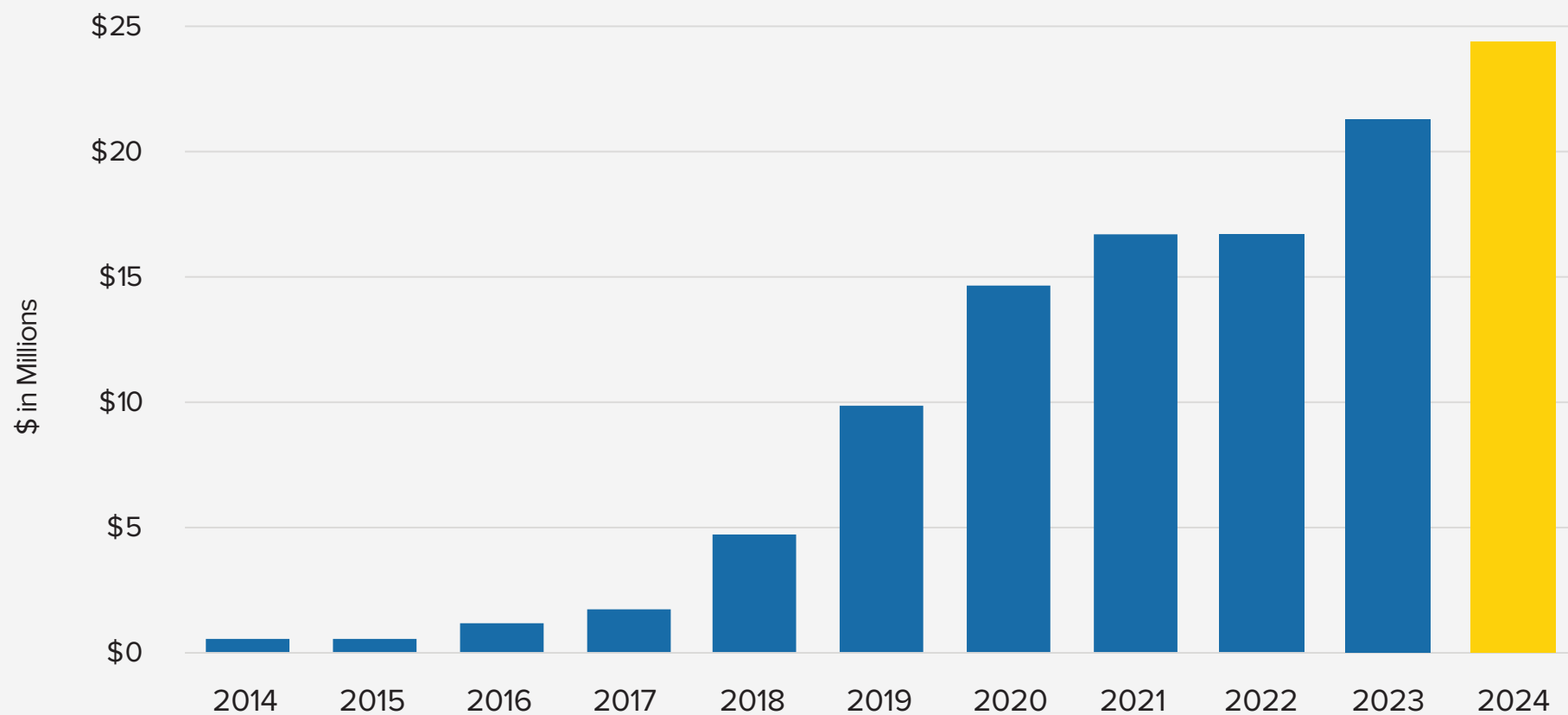
LIPA offers electricity bill discounts to low- and moderate-income customers with the goal that energy bills should be no greater than 6% of household income. We routinely assess and update our energy affordability discounts. **In July 2022, LIPA increased its base low-income discounts by 33%. In 2023, LIPA made an additional 6.7% increase to adjust for cost-of-living increases experienced by customers. For 2024, LIPA is proposing an additional \$4 million of funding (20%) through the combination of a 3.8% increase in the annual discount and a 25% increase in participation levels, (see Figure 35).** LIPA has requested the Board expand the eligibility for the low-income program and has set a goal of expanding participation from just under 40,000 participants in 2023 to 50,000 participants by the end of 2024.

Many customers experienced financial distress during the COVID-19 pandemic and could not pay their electric bills. In response, LIPA forgave all arrears incurred through May 1, 2022, for participating low-income customers, funded partly by a \$9.8 million New York State budget appropriation. **Over 11,000 low-income customers benefited from arrears relief totaling \$25 million.**

For those customers who struggled financially due to COVID-19 but did not meet the low-income criteria, LIPA offered forgiveness of balances of up to \$2,000. **Approximately 39,000 customers received bill credits through this program, totaling an estimated \$37 million.** A similar program for small commercial customers benefited approximately 750 small businesses and totaled approximately \$1.2 million.

LIPA also offers enhanced heat pump incentives of up to \$11,000 for low-income households. These enhanced rebates are complemented by new point-of-sale federal tax credits of up to \$8,000 for low-income households installing heat pumps. LIPA also provides enhanced support for low-income households to make home efficiency improvements. Households can receive personalized energy audits and free or discounted energy-efficient appliances. LIPA's 2024 budget includes \$5.5 million to support weatherization projects for low-income households, lowering heating and cooling bills and providing extra comfort by eliminating leaks and drafts.

Figure 35: **Funding for Low-Income Customer Discounts**



PROUDLY SERVING LONG ISLAND AND THE ROCKAWAYS

LIPA is committed to providing an excellent utility for our customers. Year by year, we are making improvements in all areas — improvements that are showing tangible results as we work toward the clean, reliable, and affordable electricity our customers deserve.

Our priorities are clear and consistent. **Whatever management structure LIPA operates under in the future, our commitment will be to you, our customers — the power is yours.**

Thank you to the employees of LIPA and PSEG Long Island for their efforts this year. I look forward to all we will accomplish together in 2024. It is a privilege to work with a talented team on behalf of our community.

Sincerely,



Thomas Falcone
Chief Executive Officer

November 15, 2023





SECTION III: 2024 PROPOSED BUDGET





Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Revenue Requirements

LIPA's annual revenue requirements are budgeted to increase 1% from \$4.15 billion in 2023 to \$4.19 billion in 2024. Increases in debt service and operating expenses are partially offset by an increase in other income and a reduction in power supply charges. These costs are further detailed on the following pages.

LIPA's revenue requirements are calculated in accordance with the practices of large public power utilities in the United States (the Public Power Model) and reflect the recovery of operating expenses in the current year plus debt and other fixed obligations, including fiscally sound levels of fixed obligation coverage.

LIPA's methodology for calculating revenue requirements and fixed obligation coverage excludes certain non-cash expenses such as depreciation and amortization (the costs of which are generally recovered in revenues through debt service payments).

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Revenue Requirements							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Operating and Managed Expenses							
PSEG Long Island Operating Expenses	\$ 608,661	\$ 638,879	\$ 636,254	\$ 678,004	\$ 39,125	\$ 731,433	\$ 53,430
PSEG Long Island Managed Expenses	149,142	156,470	119,338	157,625	1,156	152,903	(4,723)
PILOTs - Property-Based Taxes	300,441	304,750	301,870	306,366	1,616	311,071	4,704
PILOTs - Revenue-Based Taxes	43,939	40,756	39,270	44,578	3,822	46,077	1,499
LIPA Operating Expenses	85,782	98,976	97,186	110,900	11,925	115,516	4,616
LIPA Managed Expenses	-	5,187	6,767	30,074	24,887	14,000	(16,074)
Total Operating and Managed Expenses	1,187,964	1,245,018	1,200,685	1,327,547	82,530	1,371,000	43,453
Cash Adjustments							
Other Interest Costs	25,904	21,258	13,146	10,252	(11,006)	10,452	200
Suffolk Property Tax Settlement (Principal Only)	(33,637)	(34,818)	(27,034)	(37,922)	(3,104)	(41,201)	(3,279)
Visual Benefits Assessment (Principal Only)	(1,056)	(1,084)	(1,062)	(1,067)	17	(1,102)	(35)
PSEG Long Island OPEB Expenses (a)	(42,906)	(9,863)	(9,819)	-	9,863	-	-
Total Cash Adjustments	(51,695)	(24,507)	(24,769)	(28,738)	(4,230)	(31,852)	(3,115)
Other Income							
Other Income and Deductions	54,774	39,563	79,762	74,691	35,128	60,476	(14,215)
Grant Income	23,094	23,094	29,679	22,945	(149)	22,631	(314)
Total Other Income	77,868	62,657	109,440	97,637	34,980	83,107	(14,529)
Debt Service							
UDSA Debt Service	350,905	449,199	449,199	383,075	(66,124)	399,764	16,689
LIPA Debt Service	242,190	218,245	229,608	305,364	87,119	333,545	28,181
Coverage	294,135	249,221	251,766	282,078	32,857	288,020	5,942
Total Debt Service	887,230	916,665	930,574	970,517	53,853	1,021,328	50,811
Power Supply Charge	2,369,547	2,072,186	1,782,144	2,019,085	(53,101)	2,055,127	36,042
Total Revenue Requirements	\$ 4,315,178	\$ 4,146,706	\$ 3,779,193	\$ 4,190,774	\$ 44,068	\$ 4,332,496	\$ 141,723

Notes:

(a) In 2024, Other Post Employment Benefits (OPEBs) have been phased into the revenue requirement calculation.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Consolidated Statement of Revenues, Expenses, and Change in Net Position

LIPA's projection of Revenues and Expenses use the accrual basis of accounting, which results in a Change in Net Position of \$83.1 million in 2024 and \$57.7 million in 2025. Further information on the components of Revenues and Expenses are included on supplemental pages herein.

The \$34.4 million year-over-year reduction in the Change in Net Position stems from higher operating expenses and higher non-cash depreciation and amortization expenses partially offset by higher income.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Consolidated Statements of Revenues, Expenses, and Changes in Net Position							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Revenues	\$ 4,315,178	\$ 4,146,706	\$ 3,779,193	\$ 4,190,774	\$ 44,068	\$ 4,332,496	\$ 141,722
Power Supply Charge	2,369,547	2,072,186	1,782,144	2,019,085	(53,101)	2,055,127	36,042
Revenue Net of Power Supply Charge	1,945,631	2,074,519	1,997,049	2,171,689	97,169	2,277,369	105,680
PSEG Long Island Operating & Managed Expenses							
PSEG Long Island Operating Expenses	608,661	638,879	636,254	678,004	39,125	731,433	53,430
PSEG Long Island Managed Expenses	149,142	156,470	119,338	157,625	1,156	152,903	(4,723)
Utility Depreciation	284,527	312,399	310,430	382,340	69,941	438,858	56,518
PILOTs - Revenue-Based Taxes LIPA	43,939	40,756	39,270	44,578	3,822	46,077	1,499
PILOTs - Property-Based Taxes	300,441	304,750	301,870	306,366	1,616	311,071	4,704
LIPA Operating Expenses	85,782	98,976	97,186	110,900	11,925	115,516	4,616
LIPA Managed Expenses	-	5,187	6,767	30,074	24,887	14,000	(16,074)
LIPA Depreciation and Amortization	138,270	138,369	138,428	138,429	60	138,429	-
Interest Expense	343,079	347,324	354,952	363,361	16,037	381,735	18,374
Total Expenses	1,953,841	2,043,110	2,004,494	2,211,678	168,568	2,330,022	118,344
Other Income and Deductions	62,702	44,697	86,714	82,635	37,938	66,831	(15,804)
Grant Income	40,461	41,349	47,314	40,412	(936)	43,483	3,070
Change in Net Position	\$ 94,953	\$ 117,455	\$ 126,582	\$ 83,059	\$ (34,397)	\$ 57,660	\$ (25,398)

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Sales and Revenue

Revenues are derived primarily from retail sales of electricity to residential and commercial customers. Also included are revenues from electric sales to public authorities and street lighting. In accordance with LIPA's Tariff for Electric Service (the Tariff), LIPA's Delivery Charge recovers the costs associated with maintaining and improving the transmission and distribution system and serving customers. LIPA recovers costs associated with purchasing and producing electric energy (fuel and purchased power) through the Power Supply Charge. LIPA also has various surcharges and non-electric service charges, such as those to recover costs associated with its distributed energy programs, assessments, revenue-related PILOTs, fees for pole attachments, late payment charges to customers whose bills are in arrears, and other miscellaneous service fees. The Merchant Function Charge is applicable only to customers receiving power supply from LIPA and not to retail choice customers.

PSEG Long Island's proposed sales forecast for 2024 projects an overall 0.6% decrease from the approved 2023 Budget, reflecting a 1.1% decrease in residential sales and a 0.3% decrease in the commercial sales. The changes are due in part to lower than expected growth in employment, wages and gross metro area product. The 2024 Revenue Decoupling Mechanism (RDM) has resulted in a charge to customers totaling \$25.9 million due to lower than anticipated 2023 sales driven by cooler summer weather. This is compared to the 2023 RDM, which was a credit to customers totaling \$62.2 million. The Delivery Service Adjustment (DSA) is projected to increase by approximately \$12.3 million due to higher than budgeted uncollectible charges, primarily from bill forgiveness programs implemented in 2023.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Sales and Revenues								
Description	2022		2023		2024		2025	
	Actual		Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Sales of Electricity (MWh)								
Residential Sales	9,390,891		8,944,823	8,837,743	8,845,598	(99,224)	8,765,412	(80,186)
Commercial Sales	8,862,909		8,923,981	8,718,918	8,897,503	(26,478)	8,998,349	100,845
Other Sales to Public Authorities/Street Lighting	488,702		496,153	495,736	513,958	17,804	513,198	(760)
Total Sales of Electricity (MWh)	18,742,503		18,364,957	18,052,398	18,257,059	(107,898)	18,276,959	19,899
Revenues by Sector								
Residential	\$ 2,397,810		\$ 2,137,719	\$ 2,015,935	\$ 2,223,489	\$ 85,770	\$ 2,281,801	\$ 58,312
Commercial	1,963,164		1,877,609	1,726,059	1,941,388	63,780	1,993,333	51,944
Other Public Authorities/Street Lighting	69,734		67,587	62,618	71,343	3,757	71,628	285
Other Regulatory Amortizations and Deferrals	(160,591)		21,774	(64,075)	(81,782)	(103,556)	(50,784)	30,999
Miscellaneous Revenues	45,061		42,017	38,656	36,335	(5,682)	36,518	183
Total Revenues	\$ 4,315,178		\$ 4,146,706	\$ 3,779,193	\$ 4,190,774	\$ 44,068	\$ 4,332,496	\$ 141,722
Revenue by Component								
Delivery Charge (RDM Target)	(a) \$ 1,858,109		\$ 1,873,619	\$ 1,842,231	\$ 1,966,799	\$ 93,180	\$ 2,056,810	\$ 90,011
Merchant Function Charge (RDM Target)	(a) (b) -		26,193	24,082	25,802	(391)	24,234	(1,568)
Power Supply Charge	(c) 2,337,590		2,072,186	1,840,140	2,019,085	(53,101)	2,055,127	36,042
Energy Efficiency and Distributed Energy (DER)	60,253		68,227	67,137	77,463	9,236	96,433	18,970
New York State Assessment	15,547		12,356	11,511	11,840	(516)	12,524	684
Suffolk Property Tax Settlement	50,994		50,300	42,516	51,386	1,086	52,495	1,109
Visual Benefits Assessment (VBA)	1,264		1,260	1,238	1,211	(49)	1,213	1
Revenue Related PILOTS	43,939		40,756	39,270	44,578	3,822	46,077	1,499
RDM Collection/(Refund)	(14,483)		(61,837)	(62,229)	25,949	87,786	1,849	(24,100)
DSA Collection/(Refund)	77,496		(146)	(1,284)	12,107	12,253	-	(12,107)
Other Regulatory Amortizations and Deferrals	(d) (160,591)		21,774	(64,075)	(81,782)	(103,556)	(50,784)	30,999
Miscellaneous Revenues	45,061		42,017	38,656	36,335	(5,682)	36,518	183
Total Revenue Requirements	\$ 4,315,178		\$ 4,146,706	\$ 3,779,193	\$ 4,190,774	\$ 44,068	\$ 4,332,496	\$ 141,722

Notes:

- (a) These two items comprise the Revenue Decoupling Mechanism (RDM) target totaling \$1.992 billion in 2024.
(b) The Merchant Function Charge (RDM Target) was applicable to customers receiving supply from LIPA beginning in 2023.
(c) Due to the timing of collection and accounting deferrals, the actual and projected power supply charge will not match the totals on the Power Supply Charge page.
(d) Other Regulatory Amortizations and Deferrals reverses current year deferrals that are incorporated in items listed above.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Power Supply Charge

Power Supply Charges are budgeted at \$2.0 billion for 2024, a decrease of \$53.1 million as compared to the approved Budget for 2023. The decrease is mainly attributable to lower projected market energy and commodity costs.

Power Supply Charge projections are prepared utilizing a generation economic dispatch model that considers, among other variables, the availability and efficiency of generating resources, energy and fuel prices, and environmental regulatory requirements. Power Supply Charges are budgeted at prevailing market prices and reconciled monthly to actual costs.

In addition to the costs for gas and oil consumed in the generation of electricity, Power Supply Charges include the cost of emission allowances, charges under LIPA's bilateral contracts with on-island generators, transmission usage charges for third-party owned transmission facilities, energy and capacity purchases from the New York, New England and PJM independent system operators (ISOs), electric power wheeling, Zero Emission Credits for nuclear production, services received under PSEG power supply and fuel management agreements, fuel hedging program costs, economy energy purchases, Renewable Energy Credits for renewable resources, LIPA's 18% share of the Nine Mile Point 2 nuclear generating station, the National Grid Power Supply Agreement (PSA), and certain PILOTs.

The budgeted 2024 Power Supply Charges are \$237 million higher than the projected 2023 Power Supply Charges of \$1.8 billion. The largest factors contributing to the \$237 million increase are (i) a \$106 million increase in purchased power and commodity costs; (ii) a \$79 million increase in purchases of renewable energy, which offset an estimated \$32 million in purchased power and commodity costs; and (iii) a \$74 million increase in property taxes on power plants (related to a \$114 million one-time credit to customers in 2023 that resulted from a tax settlement that changed the timing of LIPA's tax payments). These increases are partially offset by \$23 million in reductions in costs for Nine Mile Point nuclear fuel and Regional Greenhouse Gas Initiative allowances.

Description	2024 vs 2023 Budget Net Change	Cause
Capacity	(\$18.9)	Decrease is due to the expiration of the Shoreham and Brentwood capacity contracts.
Purchased Power	\$23.8	Higher costs associated with increased ISO energy purchases partially offset by lower PJM charges.
Commodity (Gas & Oil)	(\$160.0)	Decrease is mainly due to lower projected gas and oil prices and reduced quantity of fuel burn for on-Island fossil generation.
Renewables	\$73.8	Increase is primarily due to South Fork Wind Farm, of which approximately \$32 million is offset through lower Purchase Power, Commodity, and Capacity costs.
Transmission	(\$9.1)	Decrease is due Y49 repair costs ending in 2023, which is partially offset by higher projected NYISO Public Policy Transmission Needs charges.
Nine Mile Point 2 Nuclear	(\$18.6)	Starting in 2024, the annual NMP2 costs are partially offset by a nuclear production tax credit of \$23.1 million. This credit is projected to grow in the out years.
Regional Greenhouse Gas Initiative (RGGI)	(\$8.5)	Decrease is mainly due to lower on-Island fossil generation.
Zero Emission Credit (ZEC)	(\$10.1)	Decrease is due to lower projected ZEC prices which is partially offset by the ZEC program backstop charge.
Other	\$1.2	Increase is due to various miscellaneous items.
Pass-through Property Taxes	\$73.3	Projected increase is due to a one-time credit of \$114 million in 2023 related to PSA Property Taxes.
Total	(\$53.1)	

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Power Supply Charge							
Description	2022 Actual	2023		2024		2025	
		Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Capacity							
Capacity Charges	\$ 410,859	\$ 380,874	\$ 391,153	\$ 365,496	\$ (15,378)	\$ 364,428	\$ (1,068)
National Grid Capacity (PSA)	257,993	266,961	246,864	263,461	(3,500)	262,414	(1,047)
Total Capacity	668,852	647,835	638,017	628,957	(18,878)	626,842	(2,115)
Purchased Power							
Purchased Power	750,849	547,529	401,423	571,364	23,835	563,096	(8,268)
Total Purchased Power	750,849	547,529	401,423	571,364	23,835	563,096	(8,268)
Commodity							
Natural Gas	295,499	162,403	302,778	225,250	62,847	213,022	(12,228)
Fuel Oil	104,061	278,167	32,244	55,358	(222,809)	41,518	(13,840)
Total Commodity	399,561	440,569	335,022	280,608	(159,961)	254,540	(26,068)
Renewables							
Renewable Power	92,452	88,099	82,654	161,882	73,784	219,441	57,558
Total Renewables	92,452	88,099	82,654	161,882	73,784	219,441	57,558
Other							
Transmission	51,655	53,445	44,496	44,369	(9,076)	57,942	13,574
Nine Mile Nuclear Fuel	20,329	18,927	19,182	343	(18,583)	(5,658)	(6,001)
Regional Greenhouse Gas Initiative (RGGI)	76,703	56,877	54,591	48,336	(8,540)	49,375	1,038
Zero Emissions Credits	73,551	81,330	69,617	71,228	(10,102)	90,232	19,005
Fuel and Power Supply Management Services	20,760	20,828	21,267	21,460	632	21,904	445
Other	6,121	3,020	3,237	3,519	498	3,571	53
Total Other	249,120	234,426	212,391	189,254	(45,172)	217,367	28,113
Pass Through Property Taxes							
National Grid (PSA)	195,816	101,262	98,558	174,211	72,949	161,683	(12,528)
Fast Track Units	7,241	7,579	7,538	7,922	342	7,272	(650)
Nine Mile	5,658	4,886	6,540	4,886	-	4,886	-
Total Pass Through Property Taxes	208,715	113,727	112,637	187,018	73,291	173,841	(13,178)
Total Power Supply Charge	\$ 2,369,547	\$ 2,072,186	\$ 1,782,144	\$ 2,019,085	\$ (53,101)	\$ 2,055,127	\$ 36,042

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Operating Expenses

Total Operating Expenses are budgeted at \$976.6 million in 2024 and projected at \$1.0 billion in 2025.

Operating Expenses are costs associated with operating and maintaining LIPA's transmission and distribution system and consists of four major categories:

- (i) **PSEG Long Island Operating Expenses** (expenses that PSEG Long Island must remain within 102% of budget to earn variable compensation) including costs related to: Transmission and Distribution, Business Services, Customer Services, Energy Efficiency Programs, Construction and Operations Services, Power System Management, and Emergency Preparedness. PSEG Long Island Operating Expenses for 2024 and 2025 include an inflationary increase as well as costs related to initiatives to enhance customer satisfaction, system resiliency and reliability, and clean energy and energy efficiency for customers, as detailed on Section III Page 29.
- (ii) **PSEG Long Island Managed Expenses** (expenses which PSEG Long Island manages but are substantially outside of its control) including costs related to New York State assessments, uncollectible accounts, pensions and Other Post Employment Benefits (OPEB) costs, and storm preparation and restoration. The budget for storm preparation and restoration costs will increase to \$83.5 million for 2024. Storm costs are budgeted at historical averages of storm expenses.
- (iii) **LIPA's Operating Expenses** including the PSEG Long Island management fee and costs related to LIPA staff and outside professional services, as detailed on Section III Page 31.
- (iv) **LIPA's Managed Expenses** including a corporate reserve for risk and contingency, clean energy initiatives, and pending PSEG Long Island project authorizations.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Operating Expenses							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
PSEG Long Island Operating Expenses	\$ 608,661	\$ 638,879	\$ 636,254	\$ 678,004	\$ 39,125	\$ 731,433	\$ 53,430
PSEG Long Island Managed Expenses							
Uncollectible Accounts	36,020	28,580	49,857	28,917	337	25,773	(3,144)
Storm Restoration	32,520	80,000	21,692	83,500	3,500	83,500	-
NYS Assessment	15,665	12,356	11,511	11,840	(516)	12,524	684
Accretion of Asset Retirement Obligation	4,770	263	262	281	18	298	17
Pension (PSEG Long Island O&M Related Expense)	20,002	16,004	16,358	14,368	(1,636)	10,261	(4,107)
OPEB (PSEG Long Island O&M Related Expense)	41,186	18,653	19,216	15,593	(3,061)	17,412	1,819
Miscellaneous	(1,022)	614	442	3,126	2,512	3,135	9
Total PSEG Long Island Managed Expenses	149,142	156,470	119,338	157,625	1,156	152,903	(4,723)
Total PSEG Long Island Operating & Managed Expenses	757,803	795,349	755,592	835,629	40,280	884,336	48,707
LIPA Expenses							
Management Fee (incl. Variable Compensation)	76,956	76,850	76,850	82,329	5,478	84,926	2,597
Capitalized Management Fee	(30,966)	(29,529)	(29,602)	(31,163)	(1,634)	(32,146)	(983)
LIPA Operating Expenses	39,792	51,655	49,939	59,735	8,080	62,736	3,002
LIPA Managed Expenses	-	5,187	6,767	30,074	24,887	14,000	(16,074)
LIPA Operating & Managed Expenses	85,782	104,163	103,953	140,974	36,811	129,516	(11,458)
Total PSEG Long Island & LIPA Operating Expenses	\$ 843,585	\$ 899,512	\$ 859,545	\$ 976,603	\$ 77,091	\$ 1,013,852	\$ 37,249

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Depreciation and Amortization Expenses

Depreciation and Amortization expense is budgeted at \$520.8 million in 2024 and projected at \$577.3 million in 2025.

PSEG Long Island Managed Utility Depreciation consists of depreciation of transmission and distribution plant, information technology, and FEMA storm hardened assets. The budgeted Utility Depreciation for 2024 reflects an increase of \$70.8 million primarily driven by the approval of new depreciation rates determined in a depreciation study completed in September 2023. In addition, new capital spending increased the depreciable asset base.

LIPA Depreciation and Amortization consists primarily of the amortization of the Acquisition Adjustment at \$111.4 million annually. The Acquisition Adjustment is an intangible asset resulting from the merger with the Long Island Lighting Company in 1998. Also included is the amortization of certain regulatory assets related to pension and OPEB expenses for the former National Grid employees at PSEG Long Island that serve LIPA's customers. These retirement benefit expenses are a contractual obligation of LIPA and are being amortized to align to the remaining life of the contract. See LIPA's audited financial statements for more information.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Depreciation and Amortization Expenses							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
PSEG Long Island Managed Utility Depreciation	\$ 265,230	\$ 292,115	\$ 290,835	\$ 362,932	\$ 70,817	\$ 415,690	\$ 52,757
Depreciation Expense Related to FEMA Capital Projects	19,297	20,283	19,595	19,408	(875)	23,168	3,760
Total PSEG Long Island Managed Utility Depreciation	284,527	312,399	310,430	382,340	69,941	438,858	56,518
LIPA Depreciation and Amortization							
Amortization of Acquisition Adjustment	111,375	111,375	111,375	111,375	-	111,375	-
Amortization of OPEB & Pension Deferrals	25,014	25,014	25,014	25,014	-	25,014	-
Depreciation - LIPA	1,881	1,980	2,039	2,040	60	2,040	-
Total LIPA Depreciation and Amortization	138,270	138,369	138,428	138,429	60	138,429	-
Total Depreciation and Amortization Expenses	\$ 422,797	\$ 450,768	\$ 448,858	\$ 520,770	\$ 70,001	\$ 577,287	\$ 56,518

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Taxes, Payments-in-Lieu of Taxes and Assessments

Payments-In-Lieu of Taxes (PILOTs) and Assessments are budgeted at \$696.7 million in 2024 and projected at \$694.3 million in 2025 or approximately 17% of customer bills.

Revenue-based PILOTs are calculated using gross revenues received from the sale of electricity and other sources of revenue and are subject to true up to actual cost through a PILOT payments recovery rider.

Property based PILOTs are associated with T&D property owned by LILCO in 1998 that are now subject to PILOTs under LIPA ownership.

LIPA also incurs property-based taxes and PILOTs associated with generating assets owned or under contract to LIPA. These costs, as with all power supply costs, are reconciled to actual costs. Taxes related to generating units under contract to LIPA that are paid directly by LIPA, through the National Grid PSA, or payments made to school districts were budgeted at \$101.3 million in 2023. This included a one-time credit of \$114 million associated with a change to the PSA resulting from the settlement of certain tax certiorari cases. The 2024 and 2025 projected taxes are \$174.2 million and \$161.7 million, respectively. These projected taxes include the impact of the property tax settlements concluded by LIPA with the Village of Port Jefferson, the Town of Brookhaven, the Town of Huntington, the Northport - East Northport school district, Nassau County, and the Island Park school district.

The property-based PILOTs related to the Fast Track Units are budgeted at \$7.9 million in 2024.

As LIPA owns 18% of the Nine Mile Point 2 nuclear power plant, it is also responsible for paying a share of the property taxes. LIPA's share of these taxes are budgeted at approximately \$4.9 million in 2024.

The New York State Assessment recovers costs related to Department of Public Service oversight of LIPA and PSEG Long Island's operations. This cost is \$11.8 million in 2024.

LIPA collects sales taxes on behalf of local municipalities. Those taxes are estimated at \$146.7 million in 2024 and \$150.5 million in 2025.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Taxes, Payments-in-Lieu of Taxes and Assessments							
Description	2022 Actual	2023		2024		2025	
		Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
PILOTs - Revenue-Based Taxes	\$ 43,939	\$ 40,756	\$ 39,270	\$ 44,578	\$ 3,822	\$ 46,077	\$ 1,499
PILOTs - Property-Based Taxes	300,441	304,750	301,870	306,366	1,616	311,071	4,704
Property Taxes in Power Supply Charge							
National Grid (PSA) Property Taxes	195,816	101,262	98,558	174,211	72,949	161,683	(12,528)
Fast Track Units	7,241	7,579	7,538	7,922	342	7,272	(650)
Nine Mile PILOTs	5,658	4,886	6,540	4,886	-	4,886	-
Total Property Taxes in Power Supply Charge	208,715	113,727	112,637	187,018	73,291	173,841	(13,178)
Other Taxes and Assessments							
New York State Assessment	15,665	12,356	11,511	11,840	(516)	12,524	684
New York State Office of Real Property Services	226	226	229	229	3	229	-
Total Other Taxes and Assessments	15,891	12,582	11,740	12,069	(513)	12,753	684
Total Taxes and Assessments Before Sales Taxes	568,985	471,815	465,516	550,032	78,217	543,741	(6,290)
Sales Taxes	(a) 146,150	138,528	127,275	146,702	8,174	150,530	3,828
Total PILOTs, Sales, State and Local Taxes and Assessments	\$ 715,135	\$ 610,343	\$ 592,791	\$ 696,733	\$ 86,390	\$ 694,271	\$ (2,462)

Notes:

(a) Sales tax revenue is collected by LIPA in accordance with local municipal law. Sales taxes are recorded as liabilities by LIPA as they are collected on behalf of and transferred to local government jurisdictions.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Other Income and Deductions

Other Income and Deductions are budgeted at \$82.6 million in 2024 and projected at \$66.8 million in 2025.

Other Income and Deductions consists of income and interest generated from LIPA's short-term investments, including the Rate Stabilization Fund and the Construction Fund, realized earnings on the Nine Mile Point 2 Nuclear Decommissioning Trust Fund, realized earnings on the OPEB Account, carrying charges accrued on deferred balances related to the Suffolk Property Tax Settlement, and miscellaneous sources of revenues and expenses, such as income from certain customer requested work not included in electric rates.

Projected interest rates on short-term investments are updated to prevailing interest rates annually as part of the budget process and differences between projected and actual interest rates are reconciled annually through the Delivery Service Adjustment.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Other Income and Deductions							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Short-Term Investment Income	\$ 5,419	\$ 6,817	\$ 36,415	\$ 36,243	\$ 29,425	\$ 27,057	\$ (9,186)
Interest Income from:							
Suffolk Property Tax Settlement	17,357	15,482	15,482	13,464	(2,018)	11,293	(2,170)
Visual Benefits Assessment	208	176	176	144	(32)	110	(34)
OPEB Account	25,087	10,768	13,399	13,074	2,306	10,459	(2,615)
PSEG Long Island Funding Accounts	2,142	750	9,360	9,355	8,605	9,355	-
Miscellaneous Income and Deductions - LIPA	499	150	456	427	277	342	(85)
Miscellaneous Income and Deductions - PSEG Long Island	4,063	5,419	4,474	1,984	(3,435)	1,860	(125)
Subtotal Other Income and Deductions	54,774	39,563	79,762	74,691	35,128	60,476	(14,215)
Nuclear Decommissioning Trust Fund	7,928	5,134	6,952	7,944	2,810	6,355	(1,589)
Total Other Income and Deductions	\$ 62,702	\$ 44,697	\$ 86,714	\$ 82,635	\$ 37,938	\$ 66,831	\$ (15,804)

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Grant Income

Grant Income consists of a grant of \$20.0 million from NYSERDA from Regional Greenhouse Gas Initiative (RGGI) funds to support energy efficiency and electrification programs and subsidy payments totaling \$2.9 million from the United States Treasury equal to approximately 33% of the interest on LIPA's debt issued as Build America Bonds.

LIPA pays for RGGI allowances as part of its Power Supply Charge. This RGGI grant represents the return of a portion of those funds to support programs on Long Island.

In February 2014, LIPA signed a Letter of Undertaking with FEMA that provides for \$730.0 million of grant funding for storm hardening measures. To better reflect the nature of this grant it is being amortized to Grant Income in an amount equal to the depreciation expense incurred as a result of the storm hardening program. This amortization is estimated at \$17.5 million in 2024 and \$20.9 million in 2025.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Grant Income								
Description	2022	2023		2024		2025		
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year	
Build America Bonds Subsidy - U.S. Treasury	\$ 3,094	\$ 3,094	\$ 3,102	\$ 2,945	\$ (149)	\$ 2,631	\$ (314)	
Efficiency & DER - RGGI Funding	20,000	20,000	20,000	20,000	-	20,000	-	
Other Grant Income	-	-	6,576	-	-	-	-	
Subtotal Grant Income	23,094	23,094	29,679	22,945	(149)	22,631	(314)	
Amortization of Deferred FEMA Grant	17,367	18,255	17,635	17,467	(788)	20,851	3,384	
Total Grant Income	\$ 40,461	\$ 41,349	\$ 47,314	\$ 40,412	\$ (936)	\$ 43,483	\$ 3,070	

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Interest Expense

Interest expense is budgeted at \$363.4 million for 2024 and projected at \$381.7 million in 2025. The budget is based on forecasted levels of outstanding debt, interest rates, associated fees, and the amortization of previously deferred debt related charges and credits. Actual interest rates on projected bond issues and variable rate debt are updated to prevailing interest rates each year as part of the annual budget process. Differences between projected and actual debt service payments are reconciled annually through the Delivery Service Adjustment ensuring customers pay only actual costs.

Interest expense reflects the accrual of interest on outstanding debt in the calendar year. It can differ from interest payments made to bondholders with respect to timing, but the actual amounts will be the same over the life of the bonds.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Interest Expense								
Description	2022		2023		2024		2025	
	Actual		Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Accrued Interest Expense on Debt Securities	\$ 375,466		\$ 388,845	\$ 404,317	\$ 414,652	\$ 25,806	\$ 430,439	\$ 15,787
Amortization of Premium	(75,518)		(81,809)	(79,832)	(79,202)	2,607	(74,665)	4,537
Interest Expense on Debt Securities (Accrued)	299,948		307,036	324,486	335,450	28,414	355,774	20,324
Other Interest Expense								
Amortization of Deferred Debt Issuance Costs	2,585		2,804	2,778	2,573	(231)	2,429	(144)
Amortization of Deferred Defeasance Costs	18,508		15,931	14,687	15,886	(45)	13,732	(2,154)
Other Interest Amortizations	(5,836)		(5,896)	(5,896)	(5,957)	(61)	(6,018)	(62)
Bond Issuance Costs	1,971		6,191	5,750	5,157	(1,034)	5,366	210
Other Interest Amortizations (Accrued)	17,228		19,030	17,320	17,660	(1,370)	15,509	(2,150)
Interest Rate Swap Payments	18,997		13,530	5,093	3,022	(10,508)	3,213	191
Letter of Credit and Remarketing Fees	5,900		6,287	6,102	5,296	(991)	5,296	-
Interest on Customer Security Deposits	129		131	706	657	526	634	(23)
Bond Administration Costs and Bank Fees	878		1,310	1,245	1,276	(34)	1,308	32
Other Interest Costs (Cash)	25,904		21,258	13,146	10,252	(11,006)	10,452	200
Total Interest Expense	\$ 343,079		\$ 347,324	\$ 354,952	\$ 363,361	\$ 16,037	\$ 381,735	\$ 18,374

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Debt Service Requirements

Debt service consists of principal and interest payments due to bondholders. Debt service payments are reported separately for LIPA debt and UDSA debt. LIPA has issued debt through the UDSA to provide net present value savings to customers.

Consistent with the Public Power Model, LIPA recovers “fixed obligation coverage.” Fixed obligation coverage is the portion of LIPA’s capital program funded by cash flow in each year rather than by new borrowings. Fixed obligation coverage is a ratio based on LIPA’s annual debt service payments plus the imputed payments associated with lease obligations such as power supply contracts and office and vehicle leases.

The 2024 budget supports the LIPA’s Board Policy on Fiscal Sustainability, including:

- (i) **Improving Bond Ratings:** LIPA’s bond rating is A2 (stable), A (stable) and A (positive) (Moody’s, S&P, and Fitch, respectively). LIPA’s target is to achieve AA-category ratings by 2030 by reducing LIPA’s debt-to-asset ratio to 70% or less.
- (ii) **1.40x Fixed Obligation Coverage Target:** LIPA targets a Fixed Obligation Coverage Ratio of no less than 1.40x.
- (iii) **150 Day Liquidity Target:** LIPA targets minimum cash-on-hand and available credit of 150 days operating expenses.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Debt Service Requirements							
Description	2022 Actual	2023 Approved	2023 Projected	2024 Proposed	2024 Change from Prior Year	2025 Projected	2025 Change from Prior Year
LIPA Debt Service							
LIPA Debt Service on Fixed Rate Debt	\$ 224,268	\$ 193,010	\$ 186,421	\$ 259,318	\$ 66,308	\$ 288,518	\$ 29,199
LIPA Debt Service on Variable Rate Debt	17,922	25,234	43,188	46,046	20,812	45,027	(1,019)
Total LIPA Debt Service	242,190	218,245	229,608	305,364	87,119	333,545	28,181
UDSA Debt Service	350,905	449,199	449,199	383,075	(66,124)	399,764	16,689
LIPA Lease Obligations	406,237	404,808	404,808	399,831	(4,977)	386,504	(13,326)
Coverage - LIPA Obligations							
LIPA Debt Service	242,190	218,245	229,608	305,364	87,119	333,545	28,181
LIPA Lease Obligations	406,237	404,808	404,808	399,831	(4,977)	386,504	(13,326)
Coverage	294,135	249,221	251,766	282,078	32,857	288,020	5,942
LIPA Obligations and Coverage	\$ 942,562	\$ 872,273	\$ 886,182	\$ 987,273	\$ 114,999	\$ 1,008,069	\$ 20,796
Projected Coverage Ratio on LIPA Obligations	1.45 x	1.40 x	1.40 x	1.40 x		1.40 x	
Board Policy Target Coverage Ratio on LIPA Obligations	1.40 x	1.40 x	1.40 x	1.40 x		1.40 x	
Coverage - LIPA and UDSA Obligations							
LIPA and UDSA Obligations	999,332	1,072,251	1,083,615	1,088,270	16,019	1,119,813	31,543
Coverage	294,135	249,221	251,766	282,078	32,857	288,020	5,942
LIPA and UDSA Obligations and Coverage	\$ 1,293,467	\$ 1,321,472	\$ 1,335,381	\$ 1,370,348	\$ 48,876	\$ 1,407,833	\$ 37,485
Projected Coverage Ratio on LIPA & UDSA Obligations	1.29 x	1.23 x	1.23 x	1.26 x		1.26 x	
Board Policy Target Coverage Ratio on LIPA & UDSA Obligations	1.20 x	1.20 x	1.20 x	1.20 x		1.20 x	

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Capital Expenditures

Capital Expenditures are budgeted at \$855.0 million in 2024 and are projected at \$1.1 billion in 2025. This is compared to the 2023 Capital Budget of \$862 million and projected 2023 Capital Expenditures of \$746 million.

Transmission and Distribution projects are prioritized using a Value and Risk Evaluation protocol. The projects in the plan will support system reliability and resiliency as well as meet system load and regulatory requirements. The continuation of the Storm Hardening Program in addition to several reliability improvement programs, such as the Multiple Customer Outage Program and the Branchline Re-closer Program, will address customers with below standard reliability and improve the overall performance of the system.

Information Technology (IT) projects include investments in operational areas and replacement of end of life technologies. In 2024, planned IT Capital Expenditures include projects for Time of Day rates, Transmission and Distribution operations, Customer Service operations, and IT System Separation for PSEG Long Island affiliates.

Nine Mile Point 2 Capital Expenditures relates to LIPA's share of capital expenses for the NMP2 nuclear generating station.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Capital Expenditures							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Transmission and Distribution							
Load Growth	\$ 147,145	\$ 173,016	\$ 155,972	\$ 182,282	\$ 9,266	\$ 266,334	\$ 84,052
Reliability	263,749	302,598	315,174	311,428	8,830	366,867	55,439
Storm Hardening	71,039	77,465	73,988	66,600	(10,865)	38,000	(28,600)
Economic, Salvage, Tools, Equipment & Other	54,238	70,356	60,562	24,875	(45,481)	79,297	54,422
Total Transmission and Distribution Projects	536,171	623,435	605,695	585,185	(38,250)	750,498	165,313
Other PSEG Long Island Capital Expenditures							
Information Technology	48,917	70,348	54,161	43,992	(26,356)	34,385	(9,608)
Information Technology - Cyber Security	-	12,711	11,661	4,743	(7,967)	3,683	(1,061)
Customer Operations	8,549	10,336	8,022	772	(9,565)	9,407	8,635
Other General Plant	1,421	4,571	3,329	38,286	33,715	90,829	52,543
Fleet	9,498	23,556	8,429	2,054	(21,502)	1,283	(771)
Utility 2.0	17,796	17,838	5,040	10,755	(7,084)	13,734	2,980
Total T&D and Other Projects	622,352	762,796	696,338	685,787	(77,009)	903,819	218,032
Public Policy Transmission Need	-	-	-	22,870	22,870	18,110	(4,761)
FEMA Storm Hardening	5,476	-	1,196	5,140	5,140	87,569	82,429
FEMA Pre-Grant Engineering	97	7,620	8,490	-	(7,620)	-	-
Storm Capitalization	(2,690)	3,479	2,767	3,479	-	3,479	-
Total PSEG Long Island Capital Budget	625,235	773,895	708,791	717,276	(56,619)	1,012,977	295,701
Nine Mile Point 2	28,298	5,960	4,156	29,926	23,966	4,632	(25,294)
Property Acquisition and Development	-	5,000	-	-	(5,000)	-	-
LIPA - Other	2,646	9,900	3,000	10,000	100	10,000	-
PSEG Long Island Pending Project Authorizations (a)	-	37,743	-	66,673	28,930	-	(66,673)
Capitalized Management Fee	30,966	29,529	29,602	31,163	1,634	32,146	983
Total Capital Expenditures	\$ 687,145	\$ 862,027	\$ 745,549	\$ 855,037	\$ (6,990)	\$ 1,059,755	\$ 204,718

Notes:

(a) PSEG Long Island Pending Project Authorizations are budgeted resources held outside the PSEG Long Island Budget pending additional project information. In 2023, LIPA released \$2.5 million for T&D Storm Hardening and \$2.6 million for IT projects.

Long Island Power Authority
 2024 Proposed and 2025 Projected Budgets
 (\$ in thousands)

Capital Expenditures							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Funding for Capital Expenditures							
FEMA Contribution (90% of Project Costs)		\$ -	\$ 1,076	\$ 4,626	\$ 4,626	\$ 78,812	\$ 74,186
Coverage from Operating Revenue							
Total Coverage		249,221	251,766	282,078	32,857	288,020	5,942
Less Amount Projected for O&M OPEB Funding (a)		(9,863)	(9,819)	-	9,863	-	-
Funding Required from Debt		622,670	502,526	568,334	(54,336)	692,923	124,590
Total Funding for Capital Expenditures		\$ 862,027	\$ 745,549	\$ 855,037	\$ (6,990)	\$ 1,059,755	\$ 204,718
Percent of Capital Funded from Debt:							
Projected Percent of Capital Funded from Debt		72%	67%	66%		65%	

Notes:

(a) In 2024, OPEBs have been phased into the revenue requirement calculation.

MAJOR PROJECTS (Projects with a total cost greater than \$25 million)							
			Cash Flow (\$millions)				
Description	Justification	In Service Date	Total Project Cost Estimate (a)	Project to Date through 12/31/23 (a)	2024	2025	2026 and Beyond
Rockaway Beach: Install new 33 kV circuit to Arverne Substation	Load growth in the Rockaway peninsula.	2024	\$ 24.4	\$ 21.2	\$ 0.8	\$ -	\$ -
Belmont: Convert substation from 33 kV to 69 kV	Support continued expansion of the Belmont Arena complex.	2025	116.6	3.2	38.5	71.9	-
Bridgehampton - Buell: Install a new 69kV underground cable	Load growth in the South Fork.	2025	73.9	5.9	14.9	44.7	-
IT System Separation - Identify intermingled systems and appropriate LI data and separate same from PSEG-NJ. Requires implementation of newly dedicated systems and infrastructure, transfer of LI data, and establishment of technical support roles on LI to manage the systems following separation	Required by post-Tropical Storm Isaias second A&R OSA Reformed Contract.	2025	44.9	3.6	30.5	10.8	-
Fire Island Pines: Install new 23 kV circuit to Ocean Beach	Increase reliability to Fire Island.	2026	47.5	2.8	7.4	22.0	21.6
Transmission Operations Control Room Facility Replacement: Replace the existing Transmission Operations control room	Support future expansion of the LIPA T&D system and maintain a high level of system reliability.	2027	113.2	0.4	0.2	52.2	51.7
West Hempstead: Install four 69/13kV 33MVA Transformers	Increase reliability at West Hempstead substation by replacing the current degraded assets.	2027	30.0	-	-	4.0	24.0
Rockville Centre Load Pocket: Install new 33KV underground line between Valley Stream and Ocean Avenue	Improve storm resiliency and blue-sky performance of Rockville Centre load pocket.	2028	36.7	-	0.7	0.7	35.9
Elmont: Substation Rebuild and Feeder Conversions	Increase load growth in Elmont.	2028	53.9	-	-	1.5	50.4
North Bellport: Eastport 23kV conversion	Improve storm resiliency and blue-sky performance of North Bellport - Eastport 23KV load pocket.	2028	51.5	-	-	1.0	50.5
Southampton: Install new 138kV cable to Deerfield	Increase in projected South Fork load requirements.	2028	97.7	2.8	3.4	2.4	88.2
Transmission Operations Alternate Control Room Facility Replacement (ATCC) - Replace the ATCC with a new ATCC	Replace antiquated ATCC to support system reliability.	2029	68.9	-	0.7	6.2	62.0
Newbridge: Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV	Part of NYISO PPTN. Project would convert existing LIPA 138kV lines to 345kV, offering higher capacity.	2029	36.8	0.2	1.2	2.7	32.7
Syosset: Replace UG section of 138-676 circuit to Greenlawn	Part of NYISO PPTN. Project would replace the underground portion of an existing LIPA 138kV line, offering higher capacity.	2029	116.8	0.2	2.0	6.5	108.0
Syosset: Install PAR on terminal of proposed new 138kV Ckt	Part of NYISO PPTN. Project would install a PAR at the line terminal for a new 138kV line.	2029	37.8	0.0	0.5	1.0	36.2
Northport: Install new 138kV Phase Angle Regulator	Part of NYISO PPTN. Project would install a second 138kV PAR at Northport.	2029	37.6	0.0	2.0	4.0	31.6
Barrett: Expand 138kV Substation and Interconnect New Lines	Part of NYISO PPTN. Project would expand the interconnection facilities for Oceanside offshore wind with additional rungs and create terminals for two new 138kV circuits from the developer.	2030	87.7	-	-	-	87.7
Arverne: New Wavecrest Substation and C&R	Load growth in Arverne.	2030	85.8	-	-	0.0	85.8
Total Major Projects			\$ 1,161.8	\$ 40.2	\$ 102.9	\$ 231.7	\$ 766.5

Notes:

(a) Total project cost estimate may exceed the sum of project to date expenditures and future year budgets in instances where full risk and contingency is not utilized.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

PSEG Long Island Operating Expenses

PSEG Long Island Operating Expenses are related to the following major areas: Transmission and Distribution, Business Services (including IT), Customer Services, Energy Efficiency Programs, Construction and Operations Services, Power System Management and Emergency Preparedness. Total operating expenses are budgeted at \$678.0 million in 2024 and are projected at \$731.4 million in 2025. These amounts exclude pending project authorizations held outside the PSEG Long Island budget pending additional project information.

The PSEG Long Island 2024 operating budget is increasing by \$39.1 million. This is driven primarily by inflationary increases of \$34.6 million and a \$3.7 million increase related to the funding of new and ongoing performance metrics and operational initiatives. These increases are partially offset by operational efficiencies and productivity savings of \$2.7 million. The figures exclude Pending Project Authorizations, which are funds held outside the PSEG Long Island Budget pending additional project information.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

PSEG Long Island Operating Expenses								
Description	2022	2023		2024		2025		
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year	
PSEG Long Island Operating Expenses								
Transmission & Distribution	\$ 197,905	\$ 188,072	\$ 187,129	\$ 199,617	\$ 11,544	\$ 210,094	\$ 10,477	
Business Services	144,496	152,513	160,507	170,921	18,408	185,469	14,548	
Customer Services	103,707	121,248	119,926	122,218	970	133,149	10,931	
Energy Efficiency & DER	80,902	93,524	95,327	95,251	1,728	104,685	9,433	
Construction & Operations Services	37,428	40,583	38,000	40,592	9	41,569	977	
Power System Management	15,813	20,926	17,405	22,963	2,037	23,965	1,001	
Emergency Preparedness	9,058	10,760	11,480	11,688	927	12,201	513	
Utility 2.0 Costs	19,352	11,253	6,481	14,754	3,501	20,303	5,549	
Total PSEG Long Island Operating Expenses	(a) (b) \$ 608,661	\$ 638,879	\$ 636,254	\$ 678,004	\$ 39,125	\$ 731,433	\$ 53,430	

Notes:

- (a) PSEG Long Island Operating expenses for 2024 may shift between the various lines of business based on potential organizational structure modifications.
(b) Excludes Pending Project Authorizations held outside the PSEG Long Island budget pending additional project information.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

LIPA Operating & Managed Expenses

LIPA Operating & Managed Expenses are budgeted at \$141.0 million in 2024 and are projected at \$129.5 million in 2025. The 2024 budget represents an increase of \$36.8 million as compared to the Approved Budget for 2023.

LIPA Operating Expenses include the PSEG Long Island Management Fee, costs related to LIPA staff, and outside professional services. The increase is primarily driven by an inflationary increase in the PSEG Long Island Management Fee of \$3.8 million and increased Pension & OPEB related expenses largely due to the expiration of a credit of \$3.6 million. The balance relates to inflationary increases and expanded workload following the implementation of the reformed OSA in 2022.

LIPA Managed Expenses are projected to increase by \$24.9 million as follows:

- (i) Clean energy initiatives of \$5.0 million that are (a) intended to build capacity at the local level and position disadvantaged communities to participate in and benefit from the clean energy economy; and (b) funds to meet state climate law objectives.
- (ii) PSEG Long Island Pending Project Authorizations of \$12.9 million are funds held outside PSEG Long Island's Operating Budget pending additional information;
- (iii) The establishment of a reserve at the corporate level for non-storm emergencies, unbudgeted emergent expenses, and risk and contingencies of \$7.0 million.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

LIPA Operating & Managed Expenses							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
LIPA Operating Expenses							
PSEG Long Island Management Fee	\$ 76,956	\$ 76,850	\$ 76,850	\$ 82,329	\$ 5,478	\$ 84,926	\$ 2,597
Capitalized Management Fee	(30,966)	(29,529)	(29,602)	(31,163)	(1,634)	(32,146)	(983)
Total PSEG Long Island Management Fee	45,990	47,321	47,247	51,166	3,844	52,780	1,614
Employee Salaries & Benefits	13,086	17,863	17,286	19,777	1,914	21,129	1,352
Pension & OPEBs	773	(864)	1,968	2,764	3,628	3,256	492
Insurance & Claims Reserve	1,407	3,118	472	3,176	58	3,285	109
Office Rent	1,645	2,064	1,795	1,656	(408)	1,656	-
Engineering	895	1,533	2,189	1,900	367	1,995	95
Legal	3,395	4,142	4,272	5,020	878	5,269	249
Financial Services and Cash Management	1,732	1,779	1,427	1,428	(351)	1,499	71
Accounting Services	1,779	2,215	2,634	2,608	393	2,700	92
Information Technology	8,071	9,607	8,904	9,855	248	10,348	493
DPS Management Audit	99	1,250	1,250	400	(850)	-	(400)
Outside Services & Consulting Support	5,143	6,926	5,631	8,823	1,897	9,156	333
Other	1,766	2,022	2,111	2,328	306	2,444	116
Total LIPA Operating Expense	39,792	51,655	49,939	59,735	8,080	62,736	3,002
LIPA Managed Expenses							
Clean Energy Initiatives	-	2,000	3,580	7,000	5,000	7,000	-
PSEG Long Island Pending Project Authorizations (a)	-	3,187	3,187	16,074	12,887	-	(16,074)
Corporate Reserve for Risk & Contingencies	-	-	-	7,000	7,000	7,000	-
Total LIPA Managed Expense	-	5,187	6,767	30,074	24,887	14,000	(16,074)
Total LIPA Operating & Managed Expenses	\$ 85,782	\$ 104,163	\$ 103,953	\$ 140,974	36,811	\$ 129,516	(11,458)

Notes:

(a) PSEG Long Island Pending Project Authorizations are budgeted resources held outside the PSEG Long Island Budget pending additional project information.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Utility Debt Securitization Authority

The UDSA was created by Part B of Chapter 173, Laws of New York, 2013 (the “Securitization Law”), allowing for the retirement of certain outstanding indebtedness of LIPA through the issuance of securitized restructuring bonds (Restructuring Bonds) by the UDSA. UDSA (rated triple-A) provides a lower cost of financing than issuing LIPA bonds. The Restructuring Bonds are to be repaid by an irrevocable, non-bypassable restructuring charge on all LIPA customer bills.

The Securitization Law permitted issuance of UDSA Restructuring Bonds in an amount not to exceed \$4.5 billion. LIPA’s Board adopted Financing Order No. 1 through Financing Order No. 5 reaching the statutory capacity. Each financing order authorized Restructuring Bonds secured by a separate restructuring charge created pursuant to that financing.

On August 2, 2021, changes to the Securitization Law were authorized to permit the issuance of additional securitized bonds for refinancing LIPA and UDSA bonds and to fund LIPA transmission and distribution system resiliency investments. With these legislative changes, the UDSA may issue an initial par amount of up to \$8.0 billion of securitized bonds (inclusive of the bonds already issued).

A total of \$5.4 billion of UDSA Restructuring Bonds have been issued through October 2023. However, on November 8, 2023, UDSA priced \$833 million Series 2023 Restructuring Bonds. The Series 2023 Bonds are scheduled to be issued in December 2023 and will refund the remaining 2013 UDSA Restructuring Bonds, producing an additional \$44.6 million in net present value savings. In addition, approximately \$136 million of those bonds will fund LIPA resiliency investments. After this transaction, the remaining statutory capacity will be approximately \$1.7 billion.

Since 2013, UDSA Restructuring Bonds have generated total net present value debt service savings of \$579 million for LIPA’s customers.

UDSA is considered a blended component unit of LIPA as the results of operations are blended with LIPA for financial reporting purposes.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Utility Debt Securitization Authority							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Revenues	\$ 391,366	\$ 422,222	\$ 401,876	\$ 378,366	\$ (43,856)	\$ 400,785	\$ 22,419
Operating Expenses							
Uncollectible Accounts	1,536	3,196	3,301	2,781	(415)	2,793	12
General and Administrative Expense							
Ongoing Servicer Fee	2,417	2,718	2,718	2,125	(593)	2,125	-
Administration Fees	525	600	600	600	-	600	-
Bond Administration Fees	323	380	495	507	128	520	13
Directors and Officers Insurance	306	347	347	347	-	364	17
Accounting, Legal & Misc. Fees	198	105	209	194	89	204	10
Total General and Administrative Expense	3,768	4,149	4,369	3,773	(376)	3,813	40
Amortization of Restructuring Property	215,566	308,490	301,406	238,348	(70,142)	256,800	18,452
Interest Expense	181,112	184,040	184,040	177,858	(6,182)	174,475	(3,382)
Amortization of Premium	(41,324)	(45,189)	(46,694)	(42,231)	2,958	(37,406)	4,825
Amortization of Deferred Debt Issuance Costs	2,031	2,318	2,320	2,149	(169)	2,018	(130)
Total Interest Expense	141,819	141,169	139,666	137,775	(3,394)	139,087	1,312
Reserve Fund Earnings	2,306	1,481	9,398	7,036	5,555	5,629	(1,407)
Change in Net Position	\$ 30,982	\$ (33,301)	\$ (37,469)	\$ 2,725	\$ 36,026	\$ 3,921	\$ 1,196

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Projected Borrowing Requirements and Bank Facilities

LIPA will fund \$850.4 million of infrastructure investments in 2024 with projected new debt issuances of \$574 million (including carryover bond proceeds of \$140 million), or approximately 66% debt financing. The balance of capital expenditures will be pay-as-you-go funded from fixed obligation coverage. LIPA expects to generate fixed obligation coverage from operations of \$282.1 million and \$288.0 million in 2024 and 2025, respectively.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Projected Borrowing Requirements and Bank Facilities							
Description	2022	2023		2024		2025	
	Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
Total Capital Expenditures	\$ 687,145	\$ 862,027	\$ 745,549	\$ 855,037	\$ (6,990)	\$ 1,059,755	\$ 204,718
FEMA Contribution	(4,928)	-	(1,076)	(4,626)	(4,626)	(78,812)	(74,186)
Net Capital Expenditures	682,217	862,027	744,473	850,412	(11,616)	980,943	130,531
Projected Funding Available from Coverage	(294,135)	(249,221)	(251,766)	(282,078)	(32,857)	(288,020)	(5,942)
Contribution to OPEB Account from Coverage	-	9,863	9,819	-	(9,863)	-	-
Net Coverage Funding of Capital Expenditures	(294,135)	(239,358)	(241,947)	(282,078)	(42,720)	(288,020)	(5,942)
Carryover Bond Proceeds	-	-	-	(140,000)	(140,000)	-	-
Projected Borrowing Requirements	388,082	622,670	502,526	428,334	(194,336)	692,923	264,590
Projected Cost of Issuance on Borrowing Requirements	1,971	6,191	5,750	5,157	(1,034)	5,366	210
Projected Borrowing Requirements with Cost of Issuance	(a) 390,053	628,860	508,276	433,491	(195,370)	698,290	264,799
Series 2015 GR-1A/B	-	-	-	-	-	200,000	200,000
Series 2015 GR-2A/B	-	-	-	-	-	150,000	150,000
Series 2015 GR-3A/B	-	100,000	100,000	-	(100,000)	-	-
Series 2015 GR-4A/B	-	-	-	200,000	200,000	-	(200,000)
Series 2015 GR-5A/B	-	-	-	-	-	100,000	100,000
Series 2015 GR-6A/B	-	-	-	250,000	250,000	-	(250,000)
Series 2014C - Floating Rate Notes	(b) -	150,000	-	-	(150,000)	-	-
Series 2015C - Floating Rate Notes	(b) -	149,000	-	-	(149,000)	-	-
Series 2015A&B - Floating Rate Notes	(b) -	200,000	-	-	(200,000)	-	-
Series 2022C - Floating Rate Notes	-	-	-	-	-	150,000	150,000
Bonds Subject to Mandatory Refinancing & Bank Facilities	\$ -	\$ 599,000	\$ 100,000	\$ 450,000	\$ (149,000)	\$ 600,000	\$ 150,000

Notes:

(a) The Projected Borrowing amount is a calculated value. Actual borrowing level may differ due to premium and other considerations.

(b) These floating rate notes were refunded in 2023 utilizing long-term fixed and variable rate bonds.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Capital Structure

LIPA expects to fund its capital investments utilizing a combination of grants, short and long-term debt financing, and pay as-you-go funding from revenue (i.e. fixed obligation coverage).

After funding \$3.3 billion in infrastructure investments from 2022 through 2025, total projected debt outstanding for LIPA and UDSA will increase approximately \$589.5 million.

Lease Obligations will decrease by \$1.0 billion, from \$2.1 billion in 2022 to \$1.1 billion in 2025. Lease Obligations reflect the net present value of lease contracts that are considered financing arrangements under Governmental Accounting Standards Board standards.

Combined debt and lease balances will decrease by \$434.2 million, from \$11.0 billion at the end of 2022 to \$10.6 billion at the end of 2025.

LIPA's Debt to Capital Ratio is projected to decrease from 89.4% in 2022 to 87.5% in 2025. The Debt to Asset Ratio is projected to decline from 89.5% in 2022 to 82.2% in 2025. Both ratios are expected to continue to decline over time to achieve the Board's policy target of a 70.0% Debt to Asset Ratio by 2030.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

Capital Structure								
Description		2022	2023		2024		2025	
		Actual	Approved	Projected	Proposed	Change from Prior Year	Projected	Change from Prior Year
UDSA Long Term Debt Outstanding		\$ 3,802,210	\$ 3,537,550	\$ 3,656,345	\$ 3,451,555	\$ (85,995)	\$ 3,227,590	\$ (223,965)
LIPA Long Term Debt Outstanding	(a)	4,958,221	4,954,861	4,676,597	5,140,612	185,751	5,255,035	114,423
LIPA Short Term Debt Outstanding		131,000	136,180	300,000	300,000	163,820	300,000	-
Total LIPA Debt Outstanding		5,089,221	5,091,041	4,976,597	5,440,612	349,571	5,555,035	114,423
LIPA Long Term Debt To Be Issued	(b)	-	628,860	535,515	433,491	(195,370)	698,290	264,799
Projected UDSA Debt		3,802,210	3,537,550	3,656,345	3,451,555	(85,995)	3,227,590	(223,965)
Projected LIPA Debt		5,089,221	5,719,901	5,512,112	5,874,103	154,202	6,253,325	379,222
Total Projected Debt		8,891,431	9,257,451	9,168,457	9,325,658	68,207	9,480,915	155,257
Lease Obligations		2,119,255	1,769,465	1,769,465	1,442,559	(326,906)	1,095,576	(346,983)
Total Debt and Lease Obligations		11,010,686	11,026,916	10,937,922	10,768,217	(258,699)	10,576,491	(191,726)
Excess of Revenues Over Expenses		94,953	117,455	126,582	83,059	(34,397)	57,660	(25,398)
Net Position Before Deferred Grants		697,332	808,752	823,914	906,973	98,220	964,633	57,660
Deferred Grants	(c)	608,788	590,841	590,841	573,374	(17,467)	552,523	(20,851)
Net Position		\$ 1,306,120	\$ 1,399,593	\$ 1,414,755	\$ 1,480,347	\$ 80,753	\$ 1,517,156	\$ 36,809
Debt to Capital Ratio	(d)	89.4%	88.7%	88.5%	87.9%	-0.8%	87.5%	0.0%
Debt to Asset Ratio	(a) (e)	89.5%	87.2%	86.2%	85.6%	-1.6%	82.2%	-3.0%

Notes:

(a) Adjusted 2023 Approved Long Term Debt Outstanding to account for duplication that was reflected in original Approved amount.

(b) Long-term debt to be issued reflects projected borrowing requirements to fund Capital Expenditures excluding carry over proceeds from the prior year, bond premium, and bond refinancing. In 2023, LIPA received bond premium totaling \$48 million.

(c) Deferred Grants are funds received from FEMA for a \$730.0 million storm hardening program. LIPA has deferred recognition of the grant income to align the grant receipts with the associated depreciation expense of the assets funded through the grant.

(d) Debt to Capital Ratio is calculated by taking (i) debt and leases and dividing by (ii) debt, leases, and Net Position.

(e) Debt to Asset Ratio is calculated by taking (i) debt and leases and dividing by (ii) utility plant assets and working capital.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
Transmission & Distribution

Location	Investment Description	In Service Date	Total Project Cost	Project to Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
South Fork	Upgrade transmission lines from 23 kV to 33 kV	Dec-23	\$ 2,772	\$ 2,635	\$ 137	\$ -
Rockaway Beach	Install new 33/13 kV bank and switchgear	Dec-23	19,111	16,884	579	-
East Hampton	Upgrade substation from 23 kV to 33 kV	May-24	7,105	3,705	3,290	-
Bridgehampton	Install new 13 kV feeder and conversion & reinforcement	Jun-24	12,053	7,580	9,315	-
Rockaway Beach	Install new 33 kV circuit to Arverne	Jun-24	24,424	21,192	800	-
Park Place	Feeder extension (Superblock)	Jul-24	5,508	1,072	2,668	169
Locust Grove	T-Mobile load addition upgrades	Dec-24	3,170	-	-	596
Woodmere	Conversion & reinforcement feeder extension	Dec-24	5,919	269	5,477	59
Elwood	Conversion & reinforcement	Dec-24	16,410	1,990	4,563	171
Hither Hills	Upgrade substation from 23 kV to 33 kV	May-25	22,485	5,913	8,118	8,453
Bridgehampton	Install New 69kv Circuit to Buell Substation	Jun-25	73,867	5,907	14,920	44,685
East Hampton	4 kV to 13 kV conversion	Jun-25	19,762	285	3,738	15,615
Syosset	New UG 13.2 kV feeder & OH reconductoring	Jun-25	15,362	410	4,807	10,046
Arverne	New feeder, Edgemere development C&R phase 2	Jun-25	6,126	326	-	3,198
North Bellmore	Install 33 MVA bank, switchgear, and feeders	Jun-25	23,999	451	11,217	14,391
Belmont	Convert substation from 33 kV to 69 kV	Jun-25	116,642	3,205	38,497	71,889
Tech Park	New feeder 7S-8H3	Dec-25	10,335	-	687	9,646
Miller Place	Install 3rd 138/13kV 33MVA distribution bank and feeders	Dec-25	16,641	592	6,992	8,112
Ocean Beach	Conversion and reinforcement	Dec-25	7,346	379	3,150	4,053
New South Road	Expand 69/13kV substation & distribution circuits	Jun-26	21,341	6,514	833	7,438
Deerfield	Reconfigure 69kV double circuit to Canal Substation	Apr-27	3,079	521	79	1,549
Arverne	East Development, new feeder C&R phase 2	Jun-27	5,589	-	112	1,062
Southampton	Install new 138kV cable to Deerfield	Jun-28	97,662	2,758	3,412	2,397
Arverne	New Wavecrest Substation and conversion and reinforcement	Jun-30	85,820	-	-	31
Arverne	East Development, new feeder C&R phase 1	Jun-25	3,093	-	627	2,466
Various	Residential/Commercial Underground Development (RUD/CIPUD)	Blanket	-	-	17,390	17,390
Various	Distribution facilities to serve new business	Blanket	-	-	40,873	42,917
Total Load Growth Projects			\$ 625,620	\$ 82,587	\$ 182,282	\$ 266,334

Notes:

a) Project to date expenditures includes projects that began prior to 2023.

b) Excludes PSEG Long Island Pending Project Authorizations that are held outside the PSEG Long Island budget pending additional information.

**2024 Proposed and 2025 Projected Capital Expenditures
Transmission & Distribution**

Location	Investment Description	In Service Date	Project to			
			Total Project Cost	Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
Broadway	Hewlett reconfiguration	Dec-23	\$ 1,027	\$ 580	\$ 1,210	\$ -
Etons Neck	Reconfiguration	Dec-23	3,603	2,020	200	-
East Garden City	Switchgear replacement	Nov-24	18,743	10,279	7,496	-
Greenlawn	Install additional battery set	Dec-24	436	45	376	-
Long Beach	Park Place system reconfiguration	Jun-25	10,144	323	1,680	6,631
Fire Island Pines	Install New 23 kV circuit to Ocean Beach Substation	Apr-26	47,548	2,800	7,353	21,956
Various	Distribution automation repeater site alarm monitoring system	Dec-26	870	-	-	540
Various	Telecom Site on Wheels (SOW)	Dec-26	1,597	-	-	1,337
West Hempstead	Install four 69/13kV 33MVA transformers and associated work	Jun-27	30,000	-	-	4,000
Rockville Center	Mitigate Load Pocket	Jun-28	36,681	-	745	745
Various	Distribution automation repeater sites Pilgrim and Syosset structural upgrade	Dec-27	2,280	-	-	510
Elmont	Substation rebuild and feeder conversions	Jun-28	53,891	-	-	1,479
North Bellport	Eastport 23kV conversion	Dec-28	51,532	-	-	992
Huntington Village	Substation supply hardening	Dec-28	13,795	-	-	375
Various	Distribution transformers - add/replace	Blanket	-	-	20,560	21,588
Various	Distribution system improvements - services, branch lines & customer requests	Blanket	-	-	44,300	44,300
Various	Substation equipment failures	Blanket	-	-	9,000	-
Various	System spares	Blanket	-	-	15,300	15,000
Various	Accidents	Blanket	-	-	11,000	11,550
Various	Public works	Blanket	-	-	2,000	8,950
Various	Distribution pole replacements	Blanket	-	-	13,385	14,054
Various	Distribution multiple customer outages (MCO)	Blanket	-	-	8,101	8,506
Various	Transmission system failures	Blanket	-	-	1,575	1,654
Various	Transmission pole replacements	Blanket	-	-	1,575	1,654
Various	Transmission & distribution wood pole reinforcement	Blanket	-	-	4,512	4,556
Various	Two way radio system operations center dispatch communications equip	Blanket	-	-	150	150
Various	Replacement of non-restorable distribution wood pole rejects	Blanket	-	-	12,540	13,167
Various	Upgrade supervisory controllers for capacitor banks	Program	-	-	3,575	3,754
Various	Transformer monitoring	Program	-	-	4,900	3,300
Various	Underground distribution cable replacement	Program	-	-	18,420	19,420
Various	Residential underground cables upgrades	Program	-	-	15,608	16,608
Various	Distribution circuit improvement program (CIP)	Program	-	-	16,800	17,640
Various	Remote terminal unit (RTU) replacement/upgrade program	Program	-	-	3,308	2,935
Various	Distribution breaker replacements	Program	-	-	748	832
Various	Mechanical relay replacements	Program	-	-	556	800
Various	Substation battery replacements	Program	-	-	540	216
Various	Substation control power transformer replacements	Program	-	-	262	300
Various	Transformer major component replacements	Program	-	-	1,750	1,500

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
Transmission & Distribution

Location	Investment Description	In Service Date	Total Project Cost	Project to Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
Various	Pipe type cable low pressure trip	Program	-	-	1,366	1,366
Various	Pipe type cable terminal pressure monitoring upgrade program	Program	-	-	905	905
Various	Transmission cables cathodic replacements	Program	-	-	374	374
Various	Transmission pipe type cable pump house upgrade/replacement	Program	-	-	1,060	1,060
Various	Transmission protection and controls upgrades	Program	-	-	3,170	3,200
Various	Transmission breaker replacements	Program	-	-	2,500	2,500
Various	Transformer load tap changer replacements	Program	-	-	690	690
Various	Substation lightning & grounding upgrades	Program	-	-	790	875
Various	Protection lease line upgrade	Program	-	-	800	800
Various	Upgrade corrosion protection system for pipe type cable	Program	-	-	1,600	1,500
Various	Cap and pin insulator replacements	Program	-	-	800	800
Various	Distribution automation repeater network and site upgrades	Program	-	-	700	400
Various	Distribution automation repeater site structural upgrade project	Program	-	-	-	150
Various	Replace (13) trailer mounted capacitor banks with fixed banks	Program	-	-	5,078	2,078
Various	Distribution switchgear replacements	Program	-	-	4,600	4,600
Various	Substation transformers replacements	Program	-	-	8,500	10,000
Various	Distribution pole mounted switches and RTU replacements	Program	-	-	500	200
Various	Annunciator replacement	Program	-	-	458	474
Various	Transmission wood pole replacement on the LIRR right-of-way	Program	-	-	14,550	15,300
Various	Transmission wood pole replacement on public/LIPA right-of-way	Program	-	-	11,240	11,875
Various	Distribution voltage remediation program	Program	-	-	3,000	3,000
Various	Two-way radio substation local control	Program	-	-	1,550	710
Various	Underground transmission cable upgrades	Program	-	-	-	25,000
Various	Network protectors electromechanical relay replacement	Program	-	-	-	320
Various	Branch line reclosers	Program	-	-	12,210	19,710
Various	Distribution automation repeater antenna & cable replacement program	Program	-	-	575	350
Various	Automatic circuit recloser viper (ACRV)	Program	-	636	-	6,632
Various	Substation battery relocation	Program	-	-	618	1,000
Various	345 & 138kV CAS cable joint reinforcement program	Program	-	-	4,269	-
Total Reliability Projects			\$ 272,147	\$ 16,683	\$ 311,428	\$ 366,867

Notes:

a) Project to date expenditures includes projects that began prior to 2023.

b) Excludes PSEG Long Island Pending Project Authorizations that are held outside the PSEG Long Island budget pending additional information.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
Transmission & Distribution

Location	Investment Description	In Service Date	Project to			
			Total Project Cost	Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
Various	Storm hardening program	Program	\$ -	\$ -	\$ 66,600	\$ 38,000
Total Storm Hardening Projects			-	-	66,600	38,000
South Shore Mall	Network protector transformer replacement	Nov-24	2,986	345	-	19
Eastport	Transmission partial underground near Route 111 underpass	Dec-24	4,694	670	243	-
TBD	Transmission Operations Control Room Facility Replacement (PTCC)	Dec-27	113,239	350	165	52,225
TBD	Transmission Operations Alternate Control Room Facility Replacement (ATCC)	Dec-29	68,900	-	690	6,210
Various	Capital tools	Blanket	-	-	3,200	3,200
Various	Transfer distribution facilities to new telephone poles	Blanket	-	-	11,000	10,780
Various	Salvage	Blanket	-	-	(500)	(500)
Various	Transient cyber asset laptop computers for NERC compliance	Blanket	-	-	2,100	100
Various	Substation security upgrades	Program	-	-	6,793	5,000
Various	Substation distribution circuit relay upgrades	Program	-	-	778	698
Various	Install Transmission 3V0	Program	-	-	280	-
Various	LIRR program upgrade	Program	-	-	127	1,565
Total Economic, Salvage, Tools, Equipment & Other			189,819	1,365	24,875	79,297
Grand Total Transmission & Distribution			\$ 1,087,585	\$ 100,635	\$ 585,185	\$ 750,498

Notes:

a) Project to date expenditures includes projects that began prior to 2023.

b) Excludes PSEG Long Island Pending Project Authorizations that are held outside the PSEG Long Island budget pending additional information.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
Information Technology

Investment Description	In Service Date	Total Project Cost	Project to Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
Control room call recording platform replacement (life cycle planning)	2024	\$ 900	\$ 900	\$ -	\$ -
Team center replacement	2024	2,735	-	-	1,000
CG concentrator replacement	2024	2,420	418	2,002	-
Primavera P6 upgrade	2024	226	226	-	-
DER to DSCADA communications upgrade	2024	1,253	-	1,253	-
E2E storm restoration - resource allocation and tracking	2025	686	686	-	-
Energy Management System (EMS) upgrade	2025	9,117	2,423	-	1,000
ADMS network model and roadmap	2026	3,760	-	-	2,260
OMS CAD system enhancements program	Program	-	-	1,602	-
Control Room Phone System Replacement	2025	2,300	-	-	2,300
Total Transmission & Distribution		23,397	4,652	4,857	6,560
Payment Processing	2024	1,886	1,036	-	-
Move In-Move Out (MIMO) process improvement project	2024	1,500	-	500	500
Time of Day (TOD) Standard Rate	2025	10,508	4,798	787	500
DPA Enhancements - CS 23	2025	500	-	-	500
Mobile app enhancement	Program	-	-	-	200
myAccount enhancement	Program	-	-	-	200
Customer enhancement project	Program	-	-	500	500
Annual Customer Rate - Tariff Change	Program	-	-	-	600
Total Customer Service		14,393	5,833	1,787	3,000
SPLUNK life cycle upgrade	2024	530	530	-	-
CRM alternative	2024	1,000	1,000	-	-
Customer Insights and Home Energy Management	2024	1,137	-	-	-
Replace Messageway SFTP solution	2024	1,125	600	525	-
CNI PI Expansion	2024	1,542	1,542	-	-
Standard data platform	2024	9,840	3,440	-	1,000
AirLink Manager	2024	500	-	-	500
Business Intelligence & Analytics, ETR, Storm, Transformer, etc.	2024	2,400	-	-	800
Application and infrastructure monitoring tool consolidation	2025	2,000	-	-	1,500
CCaaS 2024	2025	9,743	7,743	-	500
Self service Kiosk implementation	2025	697	497	100	100
Experian upgrade - Cloud	2025	300	-	-	300
Replace Sonic ESB with Mulesoft	2025	6,150	2,650	2,500	1,000
New Equipment Data Base Long Island (NEDLI) replacement	2025	1,000	-	-	150
IT portfolio planning system (Service Now Enhancement)	2025	550	-	-	550
Windows 11 Upgrade	2025	750	-	375	375
Datacenter Network Upgrade - Design	2025	400	-	-	400

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
Information Technology

Investment Description	In Service Date	Total Project Cost	Project to Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
Survey Tool integration with Digital Platform	2026	1,500	-	-	500
Storage LCP VPLEX and RPA LCP	2024	1,200	1,200	-	-
Community Distribution Generation billing automation (CDG)	2024	2,518	1,668	850	-
Physical Security	TBD	-	-	-	1,000
Ransomware readiness and response	TBD	-	-	-	500
Kubra enhancement	2024	2,916	416	-	-
JMUX HW equipment LCP	2024	1,157	407	150	150
Laptop LCP	2024	9,850	2,060	860	630
Mainframe LCP	2024	2,598	630	368	400
Switch/Router LCP	2024	4,438	2,678	1,760	-
UPS LCP	2024	520	360	160	-
System resiliency	2024	6,000	-	-	1,000
Workstation LCP	2024	526	263	263	-
MDT LCP	2024	5,700	1,050	550	550
Firewall LCP	2024	4,025	1,680	270	-
JMUX Replacement	2024	7,500	-	-	2,000
Mainframe hardware life cycle refresh	2024	500	-	500	-
System Segregation (Aka System Separation)	2025	44,900	3,600	27,418	10,820
RPA automation future	Program	-	-	-	-
EV Phase in Rate	Specific	800	-	700	100
Total Information Technology		136,312	34,014	37,348	24,825
Grand Total Information Technology Projects		\$ 174,102	\$ 44,500	\$ 43,992	\$ 34,385

Notes:

- a) Project to date expenditures includes projects that began prior to 2023.
b) Excludes PSEG Long Island Pending Project Authorizations that are held outside the PSEG Long Island budget pending additional information.

Long Island Power Authority
 2024 Proposed and 2025 Projected Budgets
 (\$ in thousands)

**2024 Proposed and 2025 Projected Capital Expenditures
 Information Technology - Cyber Security**

Investment Description	In Service Date	Project to Date			
		Total Project Cost	through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
CyberArk for CNI	2024	\$ 6,023	\$ 3,223	\$ 800	\$ -
Sailpoint access control	2024	2,211	846	-	-
NIST CSF 2024 assessment response	2025	4,500	-	-	1,500
Cybersecurity continuous improvement for CNI	Program	-	-	683	683
Cybersecurity continuous improvement	Program	-	-	2,310	1,500
Cybersecurity NIST-CSF Tier 3 Implementation	Program	-	-	951	-
Grand Total Information Technology - Cyber Security Projects		\$ 12,734	\$ 4,069	\$ 4,743	\$ 3,683

Notes:

a) Project to date expenditures includes projects that began prior to 2023.

b) Excludes PSEG Long Island Pending Project Authorizations that are held outside the PSEG Long Island budget pending additional information.

Long Island Power Authority
 2024 Proposed and 2025 Projected Budgets
 (\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
 Utility 2.0

Investment Description	Total Project Cost	Project to Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
Electric Vehicle (EV) Program	\$ 2,352		\$ 1,401	\$ 951
EV Make-Ready Phase II	12,888	2,121	5,043	5,724
IEDR Platform	6,716	347	4,310	2,060
New Program Funding	-	-	-	5,000
Total Utility 2.0 Projects	\$ 21,956	\$ 2,467	\$ 10,755	\$ 13,734

Notes:

- a) Project to date expenditures includes projects that began prior to 2023.
 b) Excludes PSEG Long Island Pending Project Authorizations that are held outside the PSEG Long Island budget pending additional information.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
All Other

Investment Description	In Service Date	Total Project Cost	Project to Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
Purchase Electric Meters	Program	\$ -	\$ 336	\$ 650	\$ 3,661
Meter Services Capital Labor	Program	-	1,940	-	4,937
Tools/Equipment - Meter Services	Program	-	104	-	500
Solar Battery Backup Kit	Program	-	-	122	-
AMI Network Capacity Project	Program	-	-	-	309
Total Customer Service Projects		-	2,379	772	9,407
Facilities Services	Program	-	-	3,575	2,231
Property purchase and development for new operations yard	Jun-26	75,478	-	34,712	36,849
Property acquisition - operations center	Dec-25	51,750	-	-	51,750
Total Other General Plant Projects		127,228	-	38,286	90,829
Fleet	Program	-	-	2,054	1,283
Total Fleet Projects		-	-	2,054	1,283
Total T&D and Other Projects		\$ -	\$ -	\$ 685,787	\$ 903,819

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets
(\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures
All Other

Investment Description	In Service Date	Total Project Cost	Project to Date through 12/31/23 (a)	Proposed 2024 (b)	Projected 2025
PPTN property related acquisitions	Dec-24	17,922	-	15,888	-
Connect New Lines to proposed Ruland 138/345 kV Substation (Q#1289-NUF)	Dec-28	4,936	-	252	705
Convert 138kV Ckt EGC-Ruland 138-467/567 to 345kV (Q#1289-UPGRADE)	May-29	36,804	-	1,250	2,732
Replace UG section of 138-676 circuit to Greenlawn (Q#1289-UPGRADE)	Nov-29	116,770	-	2,026	6,519
Install Reactors on circuits 138-462/463 (Q#1289-UPGRADE)	Dec-29	14,406	-	51	150
Upgrade Relays at 138kV substation (Q#1289-UPGRADE)	Dec-29	969	-	25	25
Expand 138 kV to Ring Bus to connect new lines (Q#1289-NUF)	Dec-29	14,399	-	100	933
Replace 138kV Breaker 1460 (Q#1289-UPGRADE)	Dec-29	6,479	-	75	75
Replace 138kV Switch 1322 with a breaker (Q#1289-UPGRADE)	Dec-29	5,304	-	151	444
Upgrade Relays at 138kV substation (Q#1289-UPGRADE)	Dec-29	970	-	25	25
Upgrade Relays at 138kV substation (Q#1289-UPGRADE)	Dec-29	969	-	25	25
Install PAR on terminal of proposed new 138kV Ckt (Q#1289-NUF)	Dec-29	37,780	-	500	1,035
Install new 138kV Phase Angle Regulator (Q#1289-UPGRADE)	Dec-29	37,616	-	2,041	3,950
Install reactors on 138-561/562 circuits to Newbridge (Q#1289-UPGRADE)	Dec-29	2,336	-	180	844
Upgrade Relays at 138kV Substation (Q#1289-UPGRADE)	Dec-29	969	-	25	25
Install Reactor on 138-262 Ckt to Valley Stream (Q1289-UPGRADE)	Dec-29	13,168	-	108	315
Reconfigure UG 138-675 Ckt to Oakwood (Q#1289-UPGRADE)	May-30	6,147	-	150	308
Public Policy Transmission Need		317,944	-	22,870	18,110
FEMA Grant: Storm Hardening		-	-	5,140	87,569
Storm Capitalization		-	-	3,479	3,479
Total PSEG Long Island Capital Budget		\$ -	\$ -	\$ 717,276	\$ 1,012,977

Notes:

- a) Project to date expenditures includes projects that began prior to 2023.
b) Excludes PSEG Long Island Pending Project Authorizations that are held outside the PSEG Long Island budget pending additional information.

Long Island Power Authority
 2024 Proposed and 2025 Projected Budgets
 (\$ in thousands)

2024 Proposed and 2025 Projected Capital Expenditures Pending Authorization		
Location	Investment Description	2024 Pending Authorization
Various	Storm hardening program	\$ 8,400
Total Transmission & Distribution		8,400
	AMI & MDM System Enhancements	600
	Team Center Replacement	1,735
	Energy Management System (EMS) Upgrade	5,694
	Materials Management AIDC Technology for Long Island	500
	OMS CAD Oracle database upgrade	2,650
	OMS-CAD environments management enhancements	500
	Annual Customer Rate - Tariff Change	600
	Payment Processing	850
	Time of Day (TOD) Standard Rate	4,423
	Move in-Move Out (MIMO) Process Improvement Project	500
	CCaaS 2024	1,000
	Standard Data Platform	1,300
	System Resiliency	1,000
	Customer Insights and Home Energy Management	1,137
	Business Intelligence & Analytics, ETR, Storm, Transformer, etc.	800
	System Segregation (Aka System Separation)	3,062
	Physical Security	1,500
	Ransomware Readiness and Response	1,000
	JMUX Replacement	2,000
	LIPA Reserve for Risk and Contingency	6,000
Total Information Technology		36,851
	Cybersecurity NIST-CSF Tier 3 Implementation	7,918
	Sailpoint Access Control	1,420
	GRC Tool Deployment	1,810
	NIST CSF 2024 Assessment Response	3,000
IT - Cybersecurity		14,148
	Purchase Electric Meters	800
	Meter Services Capital Labor	5,627
	Tools/Equipment - Meter Services	500
	AMI Network Capacity Project	346
Total Customer Services		7,273
Total Pending Project Authorization		\$ 66,673

LIPA's Relationship with New York State Government

LIPA is a component unit of New York State. LIPA became the retail supplier of electric service in the Counties of Nassau and Suffolk (with certain limited exceptions) and a portion of Queens County known as the Rockaways (Service Area), on May 28, 1998 by acquiring the transmission and distribution system of the Long Island Lighting Company as a wholly owned subsidiary. LIPA provides electric delivery service in the Service Area, which includes approximately 1.2 million customers. The population of the Service Area is approximately 2.9 million. In order to assist LIPA in providing electric service to its customers, LIPA entered into operating agreements to provide operating personnel and a significant portion of the power supply resources necessary to provide electric service.

Under LIPA's business model, essentially all costs of operating and maintaining LIPA's T&D system incurred by PSEG Long Island are paid for by LIPA.

Long Island Power Authority
2024 Proposed and 2025 Projected Budgets

Budget Process

Under the terms of the LIPA Reform Act and the Second Amended and Restated Operations Services Agreement, the LIPA Consolidated Budget and Financial Plan are jointly developed by LIPA and its Service Provider, PSEG Long Island.

The LIPA Consolidated Budget outlines projected spending by major expense and revenue category. The budget reflects the operating and capital costs required to provide electric service in the Service Area.

Budget Development Schedule:

- May through October:
 - LIPA and PSEG Long Island develop projections of current year spending and preliminary budget forecasts for the upcoming year and financial plan.
- July through August:
 - PSEG Long Island submits an Operating Budget request to LIPA, including base Budget inflation and productivity projections as well as new programmatic funding requests.
 - PSEG Long Island provides LIPA with preliminary Capital project spending projections.
- August and September
 - LIPA conducts a review and analysis of PSEG Long Island budget submission. LIPA provides PSEG Long Island with feedback and budget recommendations.
 - LIPA produces budget schedules for other Operating Expenses, Debt Service, and Investment Income.
 - LIPA provides PSEG Long Island its portion of the Consolidated Budget.
- October
 - PSEG Long Island produces a LIPA Consolidated Budget.
 - The LIPA Consolidated Budget is reviewed by senior level staff from both LIPA and PSEG Long Island.
 - The LIPA Consolidated Budget is approved by LIPA's CEO.
- November:
 - The Board of Trustees is briefed on the budget during regular board meeting.
 - Public Hearings are held in November to solicit comments from the public.
- December: The Board of Trustees votes on the adoption of the LIPA Consolidated Budget.

Placeholder for CEO Certification

SECTION IV: 2024 PROPOSED PERFORMANCE METRICS





Metric		At Risk Compensation	Metric Objective & Deliverable
Transmission & Distribution			
T&D-01	Asset Management Program Implementation – Asset Inventory	\$500,000	Requires PSEG Long Island to implement an effective Enterprise Asset Management (EAM) Program consistent with both the ISO 55000 principles and the Asset Management Recommendations adopted by the LIPA Board of Trustees (AM-1 and AM-2).
T&D-06	Primary Transmission Control Center (PTCC) Replacement	\$300,000	Requires PSEG Long Island to execute the project implementation plan containing the key milestones for the construction of the Primary Transmission Control Center (PTCC).
T&D-07	System Average Interruption Duration Index (SAIDI) Reliability	\$375,000	Requires PSEG Long Island to continuous improvement of SAIDI (System Average Interruption Duration Index) reflecting ongoing significant investments to programs and projects that will improve T&D system performance.
T&D-08	System Average Interruption Frequency Index (SAIFI) Reliability	\$350,000	Requires PSEG Long Island to continuously improve SAIFI (System Average Interruption Frequency Index), reflecting ongoing significant investments in programs and projects to improve T&D system performance.
T&D-09	Momentary Average Interruption Frequency Index (MAIFI) Reliability	\$275,000	Requires PSEG Long Island to continuously improve MAIFI (Momentary Average Interruption Frequency Index), reflecting ongoing significant investments in programs and projects to improve T&D system performance.
T&D-10	Reduce Sustained Multiple Customer Outages (S-MCOs)	\$275,000	Requires PSEG Long Island to improve performance for customers with the worst interruption experience, as measured by Sustained Multiple Customer Outages ("S-MCO" or "S-MCOs"), by continuing to improve overall system performance.
T&D-12	Reduce Momentary Multiple Customer Outages (M-MCOs)	\$275,000	Requires PSEG Long Island to improve performance for customers with the worst interruption experience, as measured by Momentary Multiple Customer Outages ("M-MCO" or "M-MCOs"), by continuing to improve overall system performance.
T&D-13	Safety – Serious Injury Incident Rate (SIIR)	\$450,000	Requires PSEG Long Island to safely maintain, construct, and operate the Electric T&D system without risk of serious injuries and/or fatalities.
T&D-18	Improve Reliability Through Work Management Enhancements - Workforce Management Plans	\$400,000	Requires PSEG Long Island to develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.
T&D-24	Improve Reliability Through Vegetation Management Work Plan – Cycle Trim and Trim-to-Sky	\$350,000	Requires PSEG Long Island to develop and execute Vegetation Management Work Plans and budgets.
T&D-26	Improve Reliability Through Vegetation Management Work Plan – Hazard Tree Removal	\$450,000	Requires PSEG Long Island to develop and execute Vegetation Management Work Plans and budgets. This metric measures hazard tree removal.
T&D-30	Improve Resiliency Through Storm Hardening Work Plan - ACRV Commissioning Program	\$450,000	Requires PSEG Long Island to development and execution of the Storm Hardening Work Plan - ACRV Commissioning Program.
T&D-31	Improve Resiliency Through Storm Hardening Work Plan - LT5H (ASUV) Program	\$350,000	Requires PSEG Long Island to development and execution of the Storm Hardening Work Plan - LT5H (ASUV) Program.
T&D-36	Construction - Cost Estimating Accuracy	\$300,000	Requires PSEG Long Island to execute approved Specific Capital Projects as budgeted.
T&D-37	Improve Reliability and Resiliency Through Completion of Program Planned Units and Management of Unit Costs Per Workplan	\$600,000	Requires PSEG Long Island to adhere to Targeted Program planned units and unit costs.
T&D-40	Reduce Double Wood Poles	\$200,000	Requires PSEG Long Island to continue to manage the amount of Double Wood Poles on the T&D system as a safety and system reliability matter.
T&D-41	Program Effectiveness - Vegetation Management	\$300,000	Requires PSEG Long Island to realize tangible performance improvements on parts of the system that have completed prescribed vegetation management activities per the 2023 Vegetation Management work plan.
T&D-44	Regulatory Compliance	\$250,000	Requires PSEG Long Island to operate within all applicable rules and regulations by meeting all local, state, and federal compliance reporting regulations. Appropriately Self-Report all instances of Non-Compliance.
T&D-46	Root Cause Analysis (RCA) Execution and Compliance	\$400,000	Requires PSEG Long Island to enhance and expand the RCA program through the inclusion of additional operational, safety, and system-related events, and the development of a formal Corrective Action Program (CAP).
T&D-49	Work Management Effectiveness	\$500,000	Requires PSEG Long Island to measure the effectiveness of the Work Management initiatives implemented from 2021-2024.
T&D-50	Storm Outage Response Performance	\$300,000	Requires PSEG Long Island to measure and improve the overall outage management and response effectiveness during storms with customer outage durations >= 24 hours and < 48 hours.
T&D-52	Triennial Safety Assessment	\$350,000	Requires PSEG Long Island to assess and improve overall Safety performance as identified through an independent third-party review according to the Board of Trustees Policy on Transmission and Distribution Safety.

Metric		At Risk Compensation	Metric Objective & Deliverable
Power Supply & Clean Energy			
PS&CE-01	Complete Integrated Resource Plan (IRP) Follow-on Activities	\$100,000	Requires PSEG Long Island to complete follow-on studies for the IRP that are due in 2024.
PS&CE-03	Energy Efficiency Plan Savings	\$350,000	Requires PSEG Long Island to achieve the Energy Efficiency Plan Targeted Savings, including any LIPA and DPS recommended changes to the savings target in alignment with achieving the Clean Energy goals.
PS&CE-05	Beneficial Electrification – Building Electrification	\$350,000	Requires PSEG Long Island to achieve the Beneficial Electrification targets from the Utility 2.0 filing, including any LIPA and DPS recommended changes to the targets in alignment with the LIPA portion of the 2 million home clean energy goals for whole home electrification and home electrification ready.
PS&CE-08	Transition to New "Standard" Time of Day Residential Rates on an Opt-Out Basis	\$400,000	Requires PSEG Long Island to implement the transition to a standard Time-of-Day (TOD) rate for all residential customers as defined in the LIPA-approved Project Implementation Plan.
PS&CE-13	Heat Pump Strategy to Address Barriers to Customer Adoption	\$400,000	Requires PSEG Long Island to implement programmatic changes to address barriers to customer heat pump adoption as part of the multi-year heat pump strategy.
PS&CE-14	Transportation Electrification Strategic Initiatives	\$400,000	Requires PSEG Long Island to implement programmatic changes to address barriers to customer transportation electrification as part of the multi-year strategy.

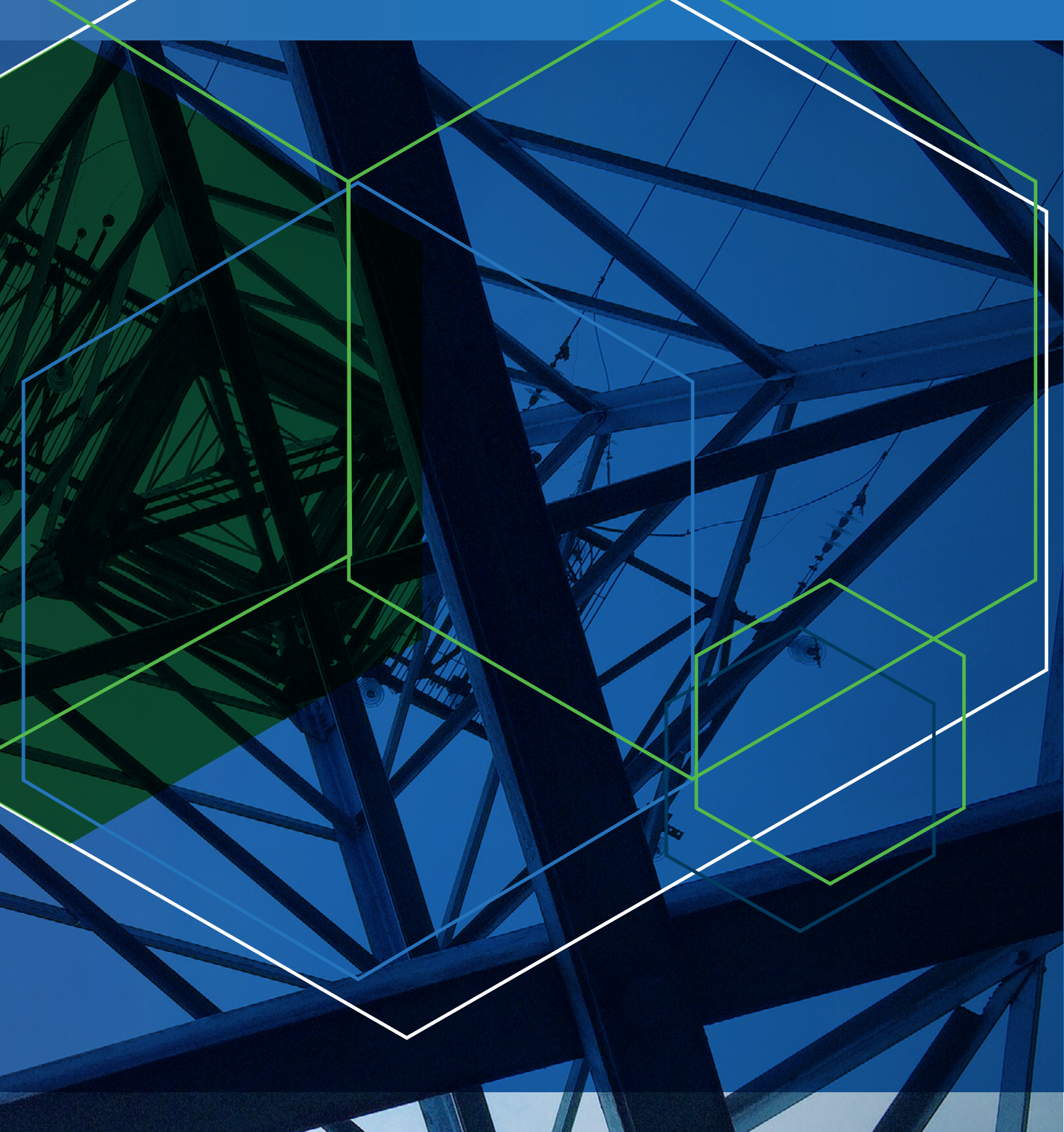
Metric		At Risk Compensation	Metric Objective & Deliverable
Information Technology - Organizational Performance			
IT-01	IT Organizational Maturity	\$350,000	Requires PSEG Long Island to achieve an Organizational Maturity Level at CMMI Level 3 in the CMMI Development Model.
IT-03	System Resiliency - Business Continuity Plans and Functional Drills	\$250,000	Requires PSEG Long Island to implement a well-designed and robust IT System Resiliency Planning that includes Business Continuity Plans (BCPs) for critical business processes and their supporting IT systems/infrastructure that are based on comprehensive Business Impact Analyses (BIAs) and are annually reviewed and updated, approved by LIPA, and successfully and thoroughly exercised for all critical business processes and their supporting critical systems. Plans should be developed and implemented using guidance from ISO 22301:2019, as applicable.
IT-04	System and Software Lifecycle Management	\$100,000	Requires PSEG Long Island to manage all IT and OT assets on behalf of LIPA, including but not limited to computers, communications equipment, networking equipment, hardware, software, and storage systems, which are within their active service life and under general support from the product vendor.
IT-05	Project Performance - In-flight Projects	\$300,000	Requires PSEG Long Island to ensure IT projects are conducted in a structured manner with strong and rigorous project planning, monitoring, and controls, as demonstrated by: 1. Project Implementation Plans (PIPs) in an acceptable format, approved by LIPA, for all in scope projects. 2. Monthly Reporting of Project Status by ten days after the close of each month. Monthly Project Status Reporting will be in a LIPA-approved format and will be required starting from the month the PIP is due and continuing through the month that final close-out reports and/or LIPA accepts artifacts. 3. Planned project work completed on time and budget.
IT-06	Project Performance – New 2024 Projects	\$400,000	Requires PSEG Long Island to ensure IT projects are conducted in a structured manner with strong and rigorous project planning, monitoring, and controls, as demonstrated by: 1. Project Implementation Plans (PIPs) in an acceptable format, approved by LIPA for all in-scope projects. 2. Monthly Reporting of Project Status by ten days after the close of each month. Monthly Project Status Reporting will be in a LIPA-approved format and will be required starting from the month the PIP is due and continuing through the month that final close-out reports and/or LIPA accepts artifacts. 3. Planned project work completed on time and budget.
IT-07	System Segregation	\$900,000	Requires PSEG Long Island to separate LIPA IT systems from PSEG New Jersey systems.
IT-08	Cyber Security Organization - Implementation	\$250,000	Requires PSEG Long Island to build a cyber security organization under the PSEG Long Island CISO that is independent of PSEG New Jersey, with services, staffing, and capabilities optimized to ensure that the cyber team is fully capable of developing, managing, and supporting the cyber security program and delivering on current and future requirements independent of Affiliate Services (as defined in the Second A&R OSA).
IT-09	IT Planning - Ransomware Readiness and Response	\$200,000	Requires PSEG Long Island to develop and implement Ransomware Readiness and Response plans to ensure that any suspected or confirmed ransomware incidents are responded to in a consistent, controlled, and effective manner.
IT-10	System Resiliency - Disaster Recovery Plans and Testing	\$250,000	Requires PSEG Long Island to implement a well-designed and robust IT System Resiliency Planning that includes Disaster Recovery Plans (DRPs) that are annually reviewed, updated, approved by LIPA, and successfully and thoroughly exercised, for all critical systems. Plans should be developed and implemented using guidance from ISO 22301:2019, as applicable.

Metric		At Risk Compensation	Metric Objective & Deliverable
Customer Service			
CS-01	Delivery of Strategic Customer Experience & Billing Projects	\$500,000	Requires PSEG Long Island to implement strategic customer projects to improve customer contact, payment, and billing experience and drive top-quartile performance.
CS-02	J.D. Power – Residential	\$250,000	Requires PSEG Long Island to execute an effective plan to drive toward the achievement of top-quartile customer satisfaction within the J.D. Power Residential East Large segment.
CS-03	J.D. Power – Business	\$250,000	Requires PSEG Long Island to execute an effective plan to drive toward the achievement of top-quartile customer satisfaction within the J.D. Power Business East Large segment.
CS-05	Customer Transactional Performance Measurement & Analysis	\$400,000	Requires PSEG Long Island to drive continuous improvement initiatives among various channel transactions and inquiries through on-going measurement and evaluation of customer satisfaction, transactional ease, and operational data including customer behaviors, segmentation, utilization volume, and cost per transaction. Enhance the existing survey approach and reporting to deepen customer insights.
CS-10	Billing – Cancelled Rebill	\$200,000	Requires PSEG Long Island to provide an accurate bill to the customer the first time, not requiring a subsequent adjustment.
CS-11	Contact Center Service Level with Live Agent Calls	\$300,000	Requires PSEG Long Island to measure response of Customer Service Representatives to customer calls to promote efficient staffing and customer satisfaction.
CS-14	Net Dollars Written Off	\$300,000	Requires PSEG Long Island to actively manage the receivables and associated write-offs and recoveries to maintain a solid financial position.
CS-15	Arrears Aging Percent > 90 Days Past Due (Arrears %>90)	\$300,000	Requires PSEG Long Island to effectively manage aged receivables > 90 days to maintain a solid financial position.
CS-17	Low to Moderate Income (LMI) Program Participation	\$200,000	Requires PSEG Long Island to increase the Low to Moderate Income (LMI) program customer enrollment in the Household Assistance Rate (HAR).
CS-19	DPS Customer Complaint Rate	\$ 50,000	Requires PSEG Long Island to keep customer regulatory complaints to a minimum.
CS-21	Outage Information Satisfaction	\$200,000	Requires PSEG Long Island to improve customer satisfaction with PSEG Long Island's proficiency in providing information for customers who experience an outage.
CS-25	Interactive Voice Response (IVR) Containment Rate	\$150,000	Requires PSEG Long Island to improve caller self-service provided by the IVR.
CS-28	Move Process Improvement	\$350,000	Requires PSEG Long Island to streamline the residential move process to complete the transaction within one efficient interaction.
CS-30	Optimize Contact Center Resource Utilization	\$250,000	Requires PSEG Long Island to use agent resource time in the most efficient and effective manner possible. Create a new report and process to improve resource optimization through adjustments to over/under agent staffing and scheduling by re-forecasting volumes within the day and adjusting agent schedules and their time utilization to meet the real-time volume.
CS-31	Call Average Handle Time (AHT)	\$300,000	Requires PSEG Long Island to improve agent efficiency in responding to customer inbound phone inquiries by achieving pre-COVID (2019) and utility top-quartile benchmark performance levels.

Metric		At Risk Compensation	Metric Objective & Deliverable
Business Services			
BS-05	Full Time Vacancy Rate	\$800,000	Requires PSEG Long Island to obtain the budgeted full-time headcount identified as necessary to achieve operational objectives within the identified categories and to minimize expenses related to supplemental resources such as temporary employees, consultants, affiliate employees, etc. Track key performance indicators identified by LIPA related to recruiting, hiring, and retention practices. Key performance indicators will include Time to Fill (exempt and non-exempt), Submittal to Interview Percentage, Voluntary/Involuntary Turnover Rates, First Year Turnover Rate, and Job Offer Acceptance Rate.
BS-07	Implement Affiliate Service Remediation Plans and Transition Plans	\$800,000	Requires PSEG Long Island to implement the Remediation Plans or, to the extent required, Transition Plans for Affiliate Services provided by PSEG Services Corporation in an efficient and effective manner in accordance with the approved plans.
BS-13	Information Request (IR) Responses	\$300,000	Requires PSEG Long Island to respond to information and document requests from LIPA (such information and document requests referred to in this metric as "IRs") from a broad range of areas, including internal audit, for data, records, and information that PSEG Long Island generates or maintains in connection with providing operations services under the Second A&R OSA, within 10 days of such requests, except where LIPA agrees to exceptions to such response time as described in Targets and Calculations.
BS-22	Timely, Accurate, and Supported Storm Event Invoicing	\$150,000	Requires PSEG Long Island to provide timely, accurate, and appropriately-supported Storm Event costs to LIPA.
BS-34	Improve Budgeting, Billing, and Collection Efforts for Reimbursable Projects	\$150,000	Requires PSEG Long Island to improve budgeting, billing, and collection processes related to cost-sharing projects (e.g., DOT, LIRR) to ensure the least cost to LIPA's customers.
BS-35	Implement Budget Process Improvements	\$350,000	Requires PSEG Long Island to successfully implement critical elements of the 2023 LIPA Budget Process Review.
BS-38	Improve the Rate and Tariff Change Implementation Process	\$150,000	Requires PSEG Long Island to adopt improvements to ensure customers are billed rates and tariff changes accurately and in a timely manner.
BS-40	Implement Improvements to Budget Process Using New Budget System	\$150,000	Requires PSEG Long Island to fully utilize LIPA's new budget system to maximize the benefits of the new system to improve budget development, monitoring, reporting, and analysis.
BS-41	PJD and Capital Budget Process Improvements	\$150,000	Requires PSEG Long Island to successfully implement critical elements of the 2023 LIPA Budget Process Review.

This concludes the 2024 Proposed Budget & Performance Metrics Package





Proposed 2024 Performance Metrics

November 15, 2023



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T&D-09	Reduce Sustained Multiple Customer Outages (S-MCOs)
T&D-10	Reduce Momentary Multiple Customer Outages (M-MCOs)
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T&D-52	Triennial Safety Assessment



Department of Public Service

125 East Bethpage Road, Plainview, NY 11803
www.dps.ny.gov/longisland

Rory M. Christian
Chair and
Chief Executive Officer

November 10, 2023

Via E-mail and U.S. Mail

Honorable Mark Fischl, Vice Chairman
Board of Trustees
Long Island Power Authority
333 Earle Ovington Blvd.
Uniondale, New York 11553

boardoftrustees@lipower.org

Re: Matter No. 23-02360: Recommendations Regarding LIPA's Proposed 2024 Final Performance Metrics

Dear Vice Chairman Fischl:

I am pleased to provide the recommendations of the New York State Department of Public Service (Department, DPS, or DPS Staff) regarding the Long Island Power Authority's (LIPA's) Final 2024 Performance Metrics proposal (LIPA Final Proposal) for PSEG Long Island (PSEG LI or the Company).¹ Pursuant to the requirements of the Second Amended and Restated Operating Services Agreement (the New OSA) between LIPA and PSEG LI, LIPA proposed 61 metrics covering all scope functions: 1) Transmission and Distribution (T&D); 2) Power Supply & Clean Energy Programs (PS&CE); 3) Business Services (BS); 4) Customer Services (CS); and 5) Information Technology (IT).² These recommendations constitute DPS Recommended Metrics pursuant to Appendix 4.3(C) of the New OSA.

Under the terms of the New OSA, LIPA and PSEG LI are required to conduct an annual metrics review process.³ As part of this process, LIPA sends an initial metrics proposal to PSEG LI for its review and comment. Then, PSEG LI may provide comments on this initial

¹ LIPA 2024 Proposed Performance Metrics for DPS Review and Recommendation (filed October 3, 2023) (LIPA's Proposed 2024 Metrics).

² Second Amended and Restated Operations and Services Agreement Between the Long Island Power Authority and PSEG Long Island, LLC, Appendix 4.3(C)(I)(A) (in effect April 1, 2022) (New OSA).

³ New OSA, Appendix 4.3(C)(I)(B).

proposal to LIPA and DPS, which LIPA must consider in good faith.⁴ After reviewing PSEG LI's comments, LIPA submits a Final Proposal to DPS for its review and recommendation, as well as to PSEG LI for further comment concerning the Final Proposal. Finally, the Department considers the Final Proposal, along with PSEG LI's comments, and submits its recommendation to the LIPA Board of Trustees (LIPA Board or the Board) for adoption.

Staff has reviewed LIPA's Final Proposal and recommends: 1) adoption of twenty-four (24) of the sixty-one (61) proposed metrics; 2) modification of thirty-six (36) metrics with adjustments to the "Standard Language" provisions proposed by LIPA or the target levels and/or certain deliverables; 3) rejection of one (1) metric; and 4) reintroduction of one (1) metric. The attached DPS Staff Memorandum outlines the process undertaken and details the Department's recommendations for the 36 metrics recommended for approval with modification, and the metrics that we recommend be removed or reintroduced. The DPS Staff Memorandum includes a short summary of each metric where PSEG LI and LIPA disagreed, or DPS Staff recommended a modification to targets, deliverables, or timelines. For these metrics, the corresponding explanation for DPS Staff's recommendation is also included.

Concerning the 24 metrics DPS Staff recommends be adopted without modification, these metrics encompass four scope areas: T&D, CS, BS, IT; and critical operation services such as reliability, vegetation management, customer service, and safety. The metrics will aid in ensuring that PSEG LI maintains and enhances its performance on behalf of customers and that PSEG LI improves its performance by reducing the amount of time that customers experience outages, ensuring that employees do not suffer serious injuries, and increasing the efficiency of its vegetation management work.

Staff also recommends adoption of several metrics that pertain to PSEG LI's targets to achieve compliance with the goals of the Climate Leadership and Community Protection Act (CLCPA). Specifically, these metrics contain deliverables to achieve set Energy Efficiency savings, incentivize residential customers to install heat pumps, and promote electric vehicle adoption on Long Island. Additionally, Staff recommends adoption of metrics that will directly target improvements in areas that impact customers' experience and will require PSEG LI to improve the accuracy of customer bills, increase the efficiency for live agent customer calls, and achieve a low customer complaint rate. Staff also recommends the adoption of metrics that will require PSEG LI to improve their cybersecurity readiness.

The New OSA establishes the criteria which LIPA must use to develop metrics.⁵ These criteria stress the reasonably achievable nature of metrics and that LIPA's evaluation of PSEG LI's performance is neither discretionary nor based on subjective judgement. DPS emphasizes that consideration of the reasonableness and objectively verifiable nature of any metric is keenly important in developing the metrics. Appropriate scheduling of deliverables that is neither protracted nor truncated must be considered when developing the metrics to ensure not only that PSEG LI has a reasonable opportunity to achieve the metrics, but also that LIPA has the time necessary to review the delivered materials. It is also important to begin from a place of clear and concise language which outlines the parameters for PSEG LI's achievement of the

⁴ Id.

⁵ Id., Appendix 4.3(1)(D).

metrics and creates commensurate parameters for LIPA's review and confirmation of deliverable or metric completeness.

Future iterations of any metrics should be predicated on a mutual understanding of customers' needs, but also on LIPA and PSEG LI's shared goals, their operational needs, and in consideration of the availability of their own internal resources. Metrics must also adequately align with the policies, goals, and strategies outlined by New York State, and by the LIPA Board.

In total, these metrics are intended to ensure that PSEG LI provides Long Island residents with improved service across all five scope functions, with a particular focus on reliability, customer satisfaction, and progress towards reaching the goals of the CLCPA. As stated in the Department's Recommendations concerning the New OSA, "[t]he substantial increase in metrics will ensure that the numerous aspects of PSEG LI's operations services are scrutinized and that performance in all scope areas is either improved or maintained appropriately."⁶

While the New OSA greatly enhanced various requirements it also increased the portion of PSEG LI's compensation at risk for failing to rise to the level set by the annual metrics. The DPS Recommended Metrics adequately incentivize PSEG LI to achieve the level and quality of service expected of a utility in New York State. As such, DPS recommends that the LIPA Board adopt the DPS Recommended Metrics as discussed in the attached DPS Staff Memorandum.

Respectfully Submitted,



Rory M. Christian
Chief Executive Officer

ATTACHMENT

cc: Thomas Falcone, LIPA, Chief Executive Officer
Bobbi O'Connor, LIPA, General Counsel & Secretary to the Board of Trustees
David C. Lyons, PSEG, LI Interim President and Chief Operating Officer
Andrea Elder-Howell, PSEG, LI Vice President Legal Services
Carrie Meek Gallagher, DPS, LI Director
Nicholas Forst, DPS, LI Counsel
Peter Hilerio, DPS, LI Counsel

⁶ DPS Recommendations re: Reformed Operations Services Agreement between LIPA and PSEG LI, dated November 23, 2021, p. 4.

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE
INTEROFFICE MEMORANDUM

November 10, 2023

TO: Chief Executive Officer Rory Christian

FROM: DPS Staff Team

SUBJECT: Recommendations Regarding the Long Island Power Authority's Proposal for
PSEG Long Island's 2024 Performance Metrics

Introduction

This memorandum is provided to the Chief Executive Officer of the Department of Public Service (DPS or the Department) on behalf of the Department Staff (Staff) team who conducted the review, and herein present their recommendations (DPS Recommended Metrics) regarding the Long Island Power Authority's (LIPA or the Authority) Final 2024 Performance Metrics proposal (LIPA Final Proposal) for PSEG Long Island (PSEG LI or the Company).¹ Pursuant to the terms of the Second Amended and Restated Operating Services Agreement (the New OSA), LIPA proposed 61 metrics across the following scope functions: 1) 22 Transmission and Distribution (T&D) metrics; 2) six Power Supply and Clean Energy Programs (PS&CE) metrics; 3) 10 Business Services (BS) metrics; 4) 14 Customer Services (CS) metrics; and 5) nine Information Technology (IT) metrics.²

The New OSA requires LIPA and PSEG LI to conduct an annual metrics review process. As part of the process, LIPA issues an initial proposal to PSEG LI for its review and comment. PSEG LI may provide comments on this initial proposal to LIPA and DPS, which LIPA must consider in good faith.³ After reviewing PSEG LI's comments, LIPA submits its Final Metrics Proposal to DPS for DPS' review and recommendation, and to PSEG LI for further comment concerning the Final Metrics Proposal. Finally, the Department will consider the Final Metrics Proposal, along with PSEG LI's comments, and submit its recommendation to the LIPA Board of Trustees (LIPA Board or LIPA BoT) for adoption.

Executive Summary

Pursuant to the New OSA, Appendix 4.3(C)(I)(B)(1), in conjunction with DPS' statutory responsibilities pursuant to Public Service Law (PSL) §3-b(3)(h), DPS submits its recommendations concerning LIPA's Final Proposal, i.e., the DPS Recommended Metrics. Staff has reviewed LIPA's Final Proposal, as well as PSEG LI's comments, and recommends: 1) adoption of 24 of the 61 proposed metrics; 2) modification of 36 metrics with adjustments to the "Standard Language" provisions proposed by LIPA or the target levels and/or certain deliverables; 3) removal of one metric; and 4) reintroduction of one metric.

Consistent with the timing of LIPA's budgeting process, LIPA began its 2024 metrics process by initiating the first of two waves of metric submissions. On June 16, 2023, LIPA provided DPS and PSEG LI with a list of the 2023 metrics it proposed to carry over into 2024 (Wave 1). Subsequently, on July 28, 2023, LIPA submitted a list of new and carry over metrics for 2024 (Wave 1 and 2 Combined). Throughout September, LIPA provided

¹ LIPA 2024 Proposed Performance Metrics for DPS Review and Recommendation (filed October 3, 2023; supplement filed October 11, 2023) (LIPA's Proposed 2024 Metrics).

² Second Amended and Restated Operations and Services Agreement Between the Long Island Power Authority and PSEG Long Island, LLC, Appendix 4.3(C)(I)(B) (in effect April 1, 2022).

³ Id.

PSEG LI with the quantitative metric targets and additional information to support modification of LIPA's proposed metrics. PSEG LI provided multiple submissions of redline edits and feedback to LIPA and DPS during this process. On October 3, 2023, LIPA submitted its Final Metrics Proposal to DPS. On October 4, 2023, PSEG LI submitted its final comments and redline edits to LIPA and DPS for their consideration. On October 11, 2023, LIPA submitted a supplemental package addressing the variances between LIPA and PSEG LI's earlier proposals.⁴ In total, LIPA and PSEG LI are in full agreement concerning 23 metrics and disagree on 38 metrics.

Based upon its review, Staff recommends that 24 metrics be adopted as proposed by LIPA. Of these 24 metrics, 13 metrics are in the T&D scope function, three metrics are in the BS scope function, seven metrics are in the CS scope function, and one is in the IT scope function. A list of the 24 metrics recommended for adoption as proposed is provided in Appendix A. Further, Staff recommends a total of 36 metrics for approval with modifications. Modifications to these metrics include changes to targets, deliverables timelines, compensation structures, the Standard Language provisions proposed by LIPA, and/or DPS' inclusion in the development of project implementation planning. As stated above, Staff also recommends the modification of LIPA's proposed Standard Language, which allows PSEG LI to develop, submit, and resubmit deliverables to meet LIPA's expectations. Additionally, Staff recommends the removal of one metric, specifically, the Capital Project Outreach Improvements metric in the BS scope area. Finally, Staff recommends reintroducing one CS metric (DPS Customer Complaint Rate) which LIPA removed after Waves 1 & 2.

Staff's Recommendation

Metrics Recommended for Approval as Proposed by LIPA:

Staff recommends that 24 metrics be adopted as proposed. Out of these 24 metrics, there are six where LIPA and PSEG LI disagree. Staff's rationale for recommending the approval of these six metrics is explained below. Finally, a list of the 24 metrics recommended for adoption as proposed is provided in Appendix A.

- **BS-05 – Full Time Vacancy Rate**

- This metric requires PSEG LI to obtain the budgeted full-time headcount that is identified as necessary to meet operational objectives within five identified categories.
- Staff agrees with LIPA that if the requested headcount for IT category is not reasonably attainable, the budgeted headcount request should be adjusted rather than relaxing the vacancy rate targets. Thus, Staff recommends adopting the metric as proposed and setting the target of 10 percent for IT vacancy rate.

⁴ PSEG Long Island 2024 OSA Metrics Proposal (filed October 4, 2023).

- Staff does not support PSEG LI's proposal for counting contractor staff augmentation towards the vacancy calculation as it does not add any benefits to ratepayers.
- PSEG LI proposed to add a third tier to the compensation structure. Staff does not support PSEG LI's proposal as it does not incentivize improvement from the current level of performance.
- CS-10 – Billing – Cancelled Rebill
 - This metric requires PSEG LI to improve the accuracy of initial customer billing by reducing the percentage of bills cancelled and rebilled to customers.
 - LIPA proposed a target of equal to or less than 0.15 percent for 2024, while PSEG LI proposed a target of 0.16 percent.
 - Staff agrees with LIPA regarding PSEG LI's current year performance for this metric which we calculate to be 0.15 percent with the exclusion of the unusual increase due to cancellation and rebills of over 2,800 accounts caused by Community Distributed Generation manual billing in March.
 - Staff supports LIPA's proposed changes to the exclusion language that eliminates the option to remove the highest and lowest performing months from the calculation. Also, Staff agrees with LIPA's assessment that the exclusion of a month of poor performance is no longer required based on the flat performance improvement from the current year-to-date level required to achieve the objective of the metric.
- CS-14 – Net Dollars Written Off
 - This metric requires PSEG LI to manage the effectiveness of recovery efforts of uncollectible revenue.
 - LIPA and PSEG LI disagree on the model and assumptions for target calculation. Staff recommends that this metric be adopted as proposed by LIPA.
- CS-15 – Arrears Aging Percent > 90 Days Past Due (Arrears %>90)
 - This metric requires PSEG LI to manage the effectiveness of recovery efforts of aged receivables (> 90 days).
 - LIPA and PSEG LI disagree on the model and assumptions for target calculation. Staff recommends that this metric be adopted as proposed by LIPA.
- IT-01 – IT Organizational Maturity
 - This metric requires PSEG LI to achieve an Organizational Maturity Level at CMMI (Capability Maturity Model Integration) Level 3 in the CMMI Development Model.
 - Staff recommends adopting the metric as proposed by LIPA. PSEG LI proposed that the CMMI benchmark Appraisal would be conducted in the fourth quarter of 2024 instead of second quarter of 2024 as a new version of the CMMI Model (V3.0) will be used for the appraisal. PSEG LI has not completed a review process to evaluate the impact of the version change,

and as such has not identified any benefit to a delay in conducting the appraisal.

- T&D-50 – Storm Outage Response Performance
 - The proposed metric requires PSEG LI to improve the effectiveness of overall outage management and response for storms with durations of ≥ 24 hours and < 48 hours.
 - Staff recommends that the metric be adopted. Staff finds it appropriate to target a five percent improvement over the average of three year-end actual performance for measurement criteria of the scorecard as proposed by LIPA.
 - Staff agrees with LIPA's assessment that all outages including low voltage outages negatively affect customer experience during storm events and recommends that all outage jobs should be part of the measurement criteria of Job Dispatch to Start.

Recommendation Concerning Proposed Standard Language:

LIPA's Final Proposal added Standard Language that applies to all project-based qualitative metrics to further codify the process for the identification of metrics that are deficient and require resubmission. The Standard Language would require PSEG Long Island to resubmit a metric that LIPA has identified as deficient within 10 days after notification. LIPA's proposed Standard Language states:

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only one opportunity post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

This proposed language was the subject of negotiations between LIPA and PSEG Long Island. It appropriately adds more requirements and timelines in the event PSEG

Long Island must resubmit a deliverable after LIPA finds it deficient, and DPS notes that LIPA made considerable changes to the proposed Standard Language based on feedback from PSEG Long Island.

DPS supports clear communication between PSEG Long Island and LIPA to ensure the expectations of each metric are clearly understood and to increase the likelihood of success in achieving the desired outcome. DPS further supports efficient and constructive communications, whereby each resubmission demonstrates a good faith effort to address the feedback received.

It is equally important for the feedback to be provided in a timely manner and be actionable. In its October 4, 2023 submission of its final comments and redline edits of the metrics, PSEG Long Island proposed alternative Standard Language that stated in part:

“Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and expectations.”

DPS recommends the inclusion of PSEG Long Island’s additional language, which would emphasize the important expectation that LIPA will timely review deliverables and provide feedback.

In addition, DPS supports LIPA’s desire to limit the number of resubmissions, which should result in a more disciplined approach to resolving deficiencies. To the extent more than one resubmission is necessary, LIPA proposes a requirement that PSEG Long Island utilize the exceptions process to further justify its second (or more) resubmissions. Such a requirement is understandable but will take additional time for PSEG Long Island to resubmit. Before applying this higher standard, DPS recommends allowing up to two resubmissions without the need to apply the exceptions process (unless such resubmission will take greater than 10 days). This will allow efficient and good faith efforts by both parties.

DPS strongly encourages LIPA and PSEG Long Island to work collaboratively to ensure that the requirements of each metric are achieved by the individual deliverable dates within each metric. This includes robust discussions during development of work product(s) for deliverables, as allowed in the proposed Standard Language.

Accordingly, DPS recommends that the Final Metrics Proposal for Standard Language should read as follows:

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA’s expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

Metrics Recommended for Approval with Modifications Regarding Standard Language:

Staff recommends modification to 28 metrics solely limited to modifying LIPA's proposed Standard Language. The targets or deliverables for these metrics have not been modified. These 28 metrics are solely modified to adopt Staff's recommended Standard Language and are listed in Appendix B. Additionally, there are 11 metrics in this category where LIPA and PSEG LI disagree beyond the inclusion of Standard Language. Staff's rationale for supporting LIPA's position for these 11 metrics is provided below.

- BS-07 – Implement Affiliate Service Remediation Plans and Transition Plans
 - This metric requires PSEG LI to implement the remediation or transition plans for affiliate services provided by "PSEG Services Corporation" (PSEG New Jersey) effectively.
 - Staff recommends adoption of this metric as proposed to support LIPA and PSEG LI's corresponding contractual requirements under the New OSA.
- CS-01 – Delivery of Strategic Customer Experience & Billing Projects
 - This metric requires PSEG LI to implement strategic customer projects to improve customer experience in contact, payment, and billing.
 - PSEG LI conducted a study for the chat channel effectiveness as part of the 2022 CS-01 metric. Staff agrees with LIPA's assessment that implementing Chat Enhancements project is reasonable as it is the remaining part of a two-phased approach from PSEG LI's recommendations in the 2022 chat study.
 - In addition, this metric has undergone significant revision to amend the scope of projects. Staff finds that the scope of the metric is appropriate, and the deliverables are attainable. Therefore, Staff recommends this metric be adopted as proposed.

- CS-05 – Customer Transactional Performance Measurement & Analysis
 - This metric aims for continuous improvement of customer transactional performance through enhancing the existing customer surveys.
 - PSEG LI expressed concerns that current systems are not designed/or equipped for the project planning and implementation aspect of the metric.
 - Staff supports the metric as proposed. The projects contained in CS-05 will improve customer experience and satisfaction and provide valuable insight to customer behavior.
- CS-28 – Move Process Improvement
 - This metric aims to improve the residential move process so that customers can complete the process within one transaction.
 - Staff recommends adopting the metric as proposed by LIPA since it continues or carries-over project deliverables from 2023 as intended by the objective of the metric.
- CS-30 – Optimize Contact Center Resource Utilization
 - The proposed metric requires PSEG LI to efficiently and effectively improve its use of contact center resources.
 - LIPA proposed qualitative deliverables for this metric, while PSEG LI suggested using utilization rate as a target. Staff does not find the PSEG LI proposed calculation for utilization rate appropriate as it may create favorable results for call center understaffing. In addition, PSEG LI's proposal does not consider any measure to improve its ability to schedule agents to respond to intraday changes. Therefore, Staff recommends adopting the metric as proposed by LIPA.
- CS-31 – Call Average Handle Time (AHT)
 - The proposed metric requires PSEG LI to improve agent efficiency in handling customer inbound calls.
 - Staff agrees with LIPA's assessment that the lack of improvement in PSEG LI's AHT performance indicates that additional measures should be taken to address the root cause of AHT decline. Therefore, staff recommends the inclusion of LIPA's proposed PIP as it can identify and address underlying issues in AHT performance.
 - LIPA proposed to allocate 75 percent of the compensation to be awarded for quantitative performance improvement and the remaining 25 percent to be awarded for achieving project deliverables. Staff supports the proposed allocation as prioritizing quantitative performance will yield more direct benefits for customers.
- IT-03 – System Resiliency – Business Continuity Plans and Functional Drills
 - This metric requires PSEG LI to develop well-designed and robust IT system Business Continuity Plans based on comprehensive Business Impact Analyses.

- Staff recommends adopting this metric as proposed. The Business Continuity Plans are necessary to enable PSEG LI to respond to disruptions and ensure the continued operation of their systems.
- IT-10 – System Resiliency – Disaster Recovery Plans and Testing
 - This metric requires PSEG LI to develop and implement well-designed and robust IT System Resiliency Plans that include Disaster Recovery Plans.
 - Staff recommends adopting this metric as proposed. LIPA will be required to engage a third-party to conduct a resiliency program assessment with PSEG LI input based on PSEG LI's operational resources.
 - Staff supports this metric because the Consultant's assessment will identify gaps in PSEG LI's system resiliency and provide solutions to create an appropriate Disaster Recovery Plan.
- PS&CE-13 – Heat Pump Strategy to Address Barriers to Customer Adoption
 - This metric requires PSEG LI to address barriers to customer heat pump adoption through programmatic changes.
 - Staff recommends using the NYSERDA's Building Efficiency and Electrification Model (BEEM+) model as proposed by LIPA to align with NYSERDA's tool for statewide building electrification plan. Staff believes this will enable LIPA and PSEG LI to meet their share of the CLCPA building electrification goals by 2030.
- T&D-46 – Root Cause Analysis (RCA) Execution and Compliance
 - The proposed metric expands the current RCA program to other criteria such as Safety Incidents, Inadvertent Operations, Mis-Operations, Locate and Mark, and Outages affecting IT/OT Systems.
 - Staff recommends the inclusion of "IT – Outages or incidents affecting IT/OT systems" in the RCA program expansion as proposed by LIPA. Staff believes inclusion of IT/OT systems will enhance the effectiveness of the RCA program and in turn provide more reliable service to LIPA customers.
- T&D-52 – Triennial Safety Assessment
 - The proposed metric aims to improve safety performance by requiring PSEG LI to create a PIP based on recommendations of a third-party triennial safety assessment.
 - Staff recommends that this metric be adopted as proposed by LIPA. Further, Staff agrees with LIPA's assessment that PSEG LI should not receive compensation for this metric if the third-party consultant does not make material findings as part of its triennial safety assessment.
 - Staff agrees with LIPA that PSEG LI is already compensated for baseline performance in management fees outside of the incentive compensation package. Instead, Staff supports LIPA's proposal that the variable compensation for this metric should be reallocated on a pro-rata basis to the other 2024 T&D metrics if there are no material findings in the safety assessment.

Metrics Recommended for Approval with Modifications to Targets/Deliverables:

There are eight metrics where Staff recommends approval with modifications to the targets, deliverables, timelines, compensation structures, Standard Language, and/or DPS' inclusion in the development of project implementation planning. Staff's recommendations and proposed modifications are provided below.

- BS-38 – Improve the Rate and Tariff Change Implementation Process
 - The proposed metric requires PSEG LI to improve the rate and tariff change process to ensure that changes are made to customer bills accurately and in a timely manner. PSEG LI is required to create a Project Implementation Plan (PIP) for Rate and Tariff Change Implementation based on the findings and recommendations of a third-party consultant's report.
 - Staff recommends that LIPA and PSEG LI provide the third-party consultant report to DPS prior to implementing any changes based on the recommendation. We recommend that LIPA provide DPS at least 30 days to review and comment on the report, and DPS' comments are considered in developing any plans to implement the recommendations contained in the report.
 - Staff also recommends modifying the Standard Language applied to this metric.
- IT-07 – System Segregation
 - This metric requires PSEG LI to separate LIPA IT systems from PSEG New Jersey systems.
 - Staff agrees with LIPA's position on having specific due dates for Bundle 1, 2, and 3. Staff argues that establishing clear target due dates is critical in assessing the performance and deciding proper compensation for the metric. Staff supports the target due date for Bundle 1,2,3 as proposed and recommends that LIPA revisit the due dates in December in the event there are significant changes to the timeline as the PIPs receive LIPA approval.
 - The Bundle 4 PIP is a part of 2024 metrics, and it is premature to decide due dates related to Bundle 4 in 2023. Thus, Staff recommends aligning target due dates with the latest LIPA-approved PIP for Bundle 4 when it is available.
 - Staff also recommends modifying the Standard Language applied to this metric.
- IT-09 – IT Planning - Ransomware Readiness and Response
 - This metric requires PSEG LI to develop and implement Ransomware Readiness and Response plans to respond to suspected or confirmed ransomware incidents effectively.
 - Staff recommends LIPA engage a third-party consultant with PSEG LI's input based on PSEG LI's operational resources to complete a current state assessment to determine gaps in ransomware recovery readiness and response planning.

- Staff recommends this modification because the external third party will be in the best position to provide an objective assessment to determine gaps of ransomware recovery readiness and response preparation and planning.
 - Staff also recommends modifying the Standard Language applied to this metric.
- PS&CE-01 – Complete Integrated Resource Plan (IRP) Follow-on Activities
 - This metric requires PSEG LI to complete follow-on studies for the IRP that carry over into 2024.
 - The Steam Deactivation Study is being performed to identify the deficiencies and potential solutions in the LIPA system with planned retirement of existing Steam generation on Long Island by 2028. Staff disagrees with PSEG LI's proposal to remove the "Submit Draft Steam Deactivation Study for LIPA comments" deliverable as this deliverable is an opportunity for PSEG LI to get feedback from LIPA and incorporate the feedback for the final draft.
 - Staff recommends extending the "Steam Deactivation Study: Development of Solutions and Final Report" deliverable due date from March 15, 2024, to April 12, 2024. Further, LIPA should provide its comments on the draft report by March 29, 2024. By extending the due date PSEG LI will have an additional two weeks to incorporate the comments in their final report.
 - Staff also recommends modifying the Standard Language applied to this metric.
 - PS&CE-03 – Energy Efficiency Plan Savings
 - This metric requires PSEG LI to achieve the Energy Efficiency Plan Targeted Savings, which includes LIPA and DPS recommended savings target changes to achieve the Clean Energy Goals.
 - Staff agrees with using the ex-post verified gross savings as it is consistent with NYSERDA's Clean Energy Dashboard reporting.
 - Staff recommends the savings evaluation continue to follow the same practice in place since 2014, i.e., the evaluation be performed by an independent third-party evaluator.
 - Staff recommends increasing the target allocation for spending on disadvantaged communities to a minimum of 35 percent in alignment with the CLCPA requirements.
 - Staff recommends adopting a compensation structure based on achievement of specific goals for this metric – (1) 100 percent compensation is awarded for achieving both the energy efficiency target and DAC spending targets or (2) 50 percent for only achieving one of the two targets.
 - PS&CE-05 – Beneficial Electrification – Building Electrification
 - This metric requires PSEG LI to achieve the Beneficial Electrification targets from the Utility 2.0 filing and any LIPA and DPS recommended changes to the targets.
 - Staff recommends increasing the target allocation for spending on disadvantaged communities to a minimum of 35 percent in alignment with the CLCPA requirements.

- PS&CE-14 – Transportation Electrification Strategic Initiatives
 - This metric aims to address barriers to customer transportation electrification through programmatic changes.
 - Staff recommends LIPA and PSEG LI include DPS in the planned review sessions to discuss progress-to-date on the Transportation Electrification PIP.
 - Staff also recommends modifying the Standard Language applied to this metric.
- T&D-07– System Average Interruption Duration Index (SAIDI) Reliability
 - This metric aims for continuous improvement of the duration of sustained interruption for the average customer.
 - Staff recommends against rewarding 65 percent of the allocated compensation for meeting the same target for 2023 (57.5 minutes) since the objective of the metric is the continuous improvement of SAIDI. Staff recommends that the target for awarding 65 percent of the compensation be modified to 57 minutes because it is a reasonably achievable target based on staff evaluation of PSEG LI's SAIDI performance for the past five years. Staff recommends a target of 56.5 minutes or less for awarding 100 percent of incentive compensation as proposed by LIPA.

Metrics Recommended for Removal:

- BS-37 – Capital Project Outreach Improvements
 - The proposed metric aims to monitor and improve the effectiveness of T&D capital projects outreach. Currently, DPS and LIPA have a monthly meeting with PSEG LI to discuss external affairs and capital outreach projects. In addition, PSEG LI provides monthly updates on scorecards/tier level for each project and the level of outreach carried out for DPS's review.
 - Staff recommends removal of this metric as there are existing procedures, developed by DPS, in place to monitor External Affairs Capital Project Outreach effectively and efficiently.
 - DPS will carefully review PSEG LI's adherence to the existing procedures and will consider any necessary process improvements, including adding detailed capital project outreach requirements in the 2025 metrics, based on PSEG LI's performance in 2024.

Metrics Recommended for Reintroduction:

Staff recommends the following metric be reintroduced, which was removed after Wave 1 and 2.

- CS-19 – DPS Customer Complaint Rate
 - This metric measures the total number of initial customer complaints registered with DPS and incentivizes keeping the number of complaints to a

minimum. This metric was included in LIPA's Wave 1 & 2 metrics proposal, but it was withdrawn in LIPA's Final Metrics package.

- The Public Service Commission (PSC or Commission) uses the DPS Customer Complaint Rate to measure the performance of New York State's Investor-Owned Utilities (IOUs). The IOUs are also subject to a Negative Revenue Adjustment if they do not meet a target set by the Commission. Staff recommends that this metric be restored to incentivize PSEG LI to maintain or improve its DPS complaints Rate, to be aligned with the IOUs in New York State.
- LIPA and PSEG LI agreed to a target to achieve the top position for a rolling 12-month Initial Complaint Rate for electric and combination companies within the peer group. Staff agrees that achieving the top position in the group is reasonable for this metric.
- DPS understands LIPA will assign an appropriate level of compensation for this metric.

Conclusion

For the reasons stated above, DPS Staff recommends that the LIPA Board 1) adopt 24 of the metrics as proposed; 2) adopt 36 of the metrics with DPS' recommended modifications; 3) reintroduce CS-19 metric; and 4) remove BS-37 metric in LIPA's Final Proposal. DPS Staff's recommendations contained herein, should be considered the DPS Recommended Metrics under the terms of the OSA.

Appendix A

24 Metrics Recommended for Adoption without Modification

Metric #	Metric Title
BS-05	Full Time Vacancy Rate
BS-13	Information Request (IR) Responses
BS-22	Timely, Accurate, and Supported Storm Event Invoicing
CS-10	Billing – Cancelled Rebill
CS-11	Contact Center Service Level with Live Agent Calls
CS-14	Net Dollars Written Off
CS-15	Arrears Aging Percent > 90 Days Past Due (Arrears %>90)
CS-17	Low to Moderate Income (LMI) Program Participation
CS-21	Outage Information Satisfaction
CS-25	Interactive Voice Response (IVR) Containment Rate
IT-01	IT Organizational Maturity
T&D-01	Asset Management Program Implementation – Asset Inventory
T&D-08	System Average Interruption Frequency Index (SAIFI) Reliability
T&D-09	Momentary Average Interruption Frequency Index (MAIFI) Reliability
T&D-10	Reduce Sustained Multiple Customer Outages (S-MCOs)
T&D-12	Reduce Momentary Multiple Customer Outages (M-MCOs)
T&D-13	Safety – Serious Injury Incident Rate (SIIR)
T&D-24	Improve Reliability Through Vegetation Management Work Plan -- Cycle Trim and Trim-to-Sky
T&D-26	Improve Reliability Through Vegetation Management Work Plan – Hazard Tree Removal
T&D-36	Construction - Cost Estimating Accuracy
T&D-37	Improve Reliability and Resiliency Through Completion of Program Planned Units and Management of Unit Costs Per Workplan
T&D-40	Reduce Double Wood Poles
T&D-49	Work Management Effectiveness
T&D-50	Storm Outage Response Performance

Appendix B

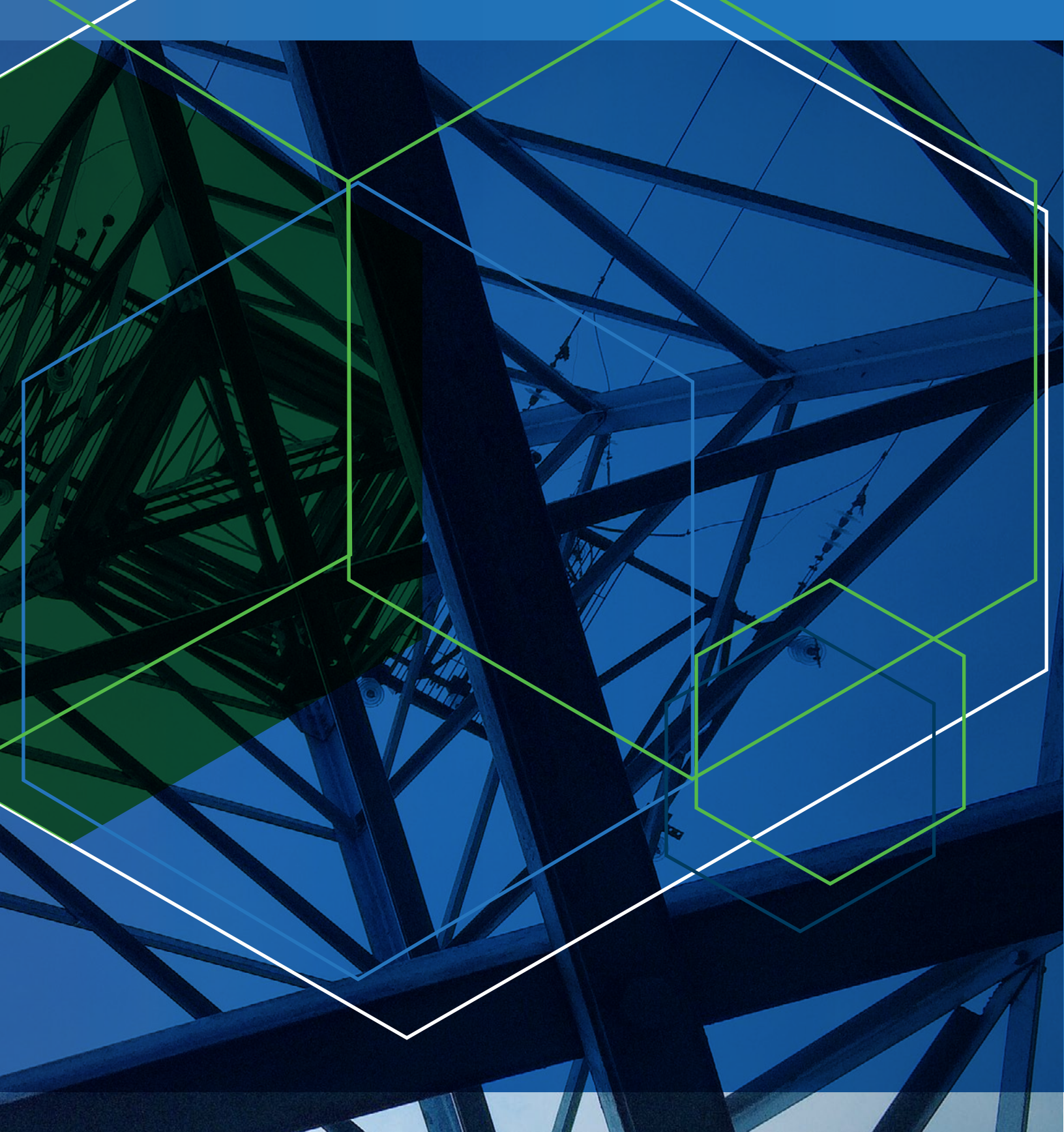
28 Metrics Recommended for Approval with Modifications Limited to Standard Language

Metric #	Metric Title
BS-07	Implement Affiliate Service Remediation Plans and Transition Plans
BS-34	Improve Budgeting, Billing, and Collection Efforts for Reimbursable Projects
BS-35	Implement Budget Process Improvements
BS-40	Implement Improvements to Budget Process Using New Budget System
BS-41	PJD and Capital Budget Process Improvements
CS-01	Delivery of Strategic Customer Experience & Billing Projects
CS-02	J.D. Power – Residential
CS-03	J.D. Power – Business
CS-05	Customer Transactional Performance Measurement & Analysis
CS-28	Move Process Improvement
CS-30	Optimize Contact Center Resource Utilization
CS-31	Call Average Handle Time (AHT)
IT-03	System Resiliency - Business Continuity Plans and Functional Drills
IT-04	System and Software Lifecycle Management
IT-05	Project Performance - In-flight Projects
IT-06	Project Performance – New 2024 Projects
IT-08	Cyber Security Organization - Implementation
IT-10	System Resiliency - Disaster Recovery Plans and Testing
PS&CE-08	Transition to New "Standard" Time of Day Residential Rates on an Opt-Out Basis
PS&CE-13	Heat Pump Strategy to Address Barriers to Customer Adoption
T&D-06	Primary Transmission Control Center (PTCC) Replacement
T&D-18	Improve Reliability Through Work Management Enhancements – Workforce Management Plans
T&D-30	Improve Resiliency Through Storm Hardening Work Plan - ACRV Commissioning Program
T&D-31	Improve Resiliency Through Storm Hardening Work Plan - LT5H (ASUV) Program
T&D-41	Program Effectiveness - Vegetation Management
T&D-44	Regulatory Compliance
T&D-46	Root Cause Analysis (RCA) Execution and Compliance
T&D-52	Triennial Safety Assessment

Appendix C

8 Metrics Recommended for Approval with Modifications to Targets and/or Deliverables

Metric #	Metric Title
BS-38	Improve the Rate and Tariff Change Implementation Process
IT-07	System Segregation
IT-09	IT Planning - Ransomware Readiness and Response
PS&CE-01	Complete Integrated Resource Plan (IRP) Follow-on Activities
PS&CE-03	Energy Efficiency Plan Savings
PS&CE-05	Beneficial Electrification – Building Electrification
PS&CE-14	Transportation Electrification Strategic Initiatives
T&D-07	System Average Interruption Duration Index (SAIDI) Reliability



Proposed 2024 Performance Metrics

LIPA 2024 Proposed Performance Metrics

BS-05: Full Time Vacancy Rate

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi OConnor	LIPA Proj. Mgr: Barbara Ann Dillon
PSEGLI Exec. Sponsor: David Lyons	PSEGLI Proj. Mgr: Beverly Esposito
PSEGLI Director: Jodi Varon	DPS Contact: Daniel Pohoreckyj
Allocated Compensation (2021 Dollars): 800000	

OBJECTIVE

Obtain the budgeted full-time headcount identified as necessary to achieve operational objectives within the identified categories and to minimize expenses related to supplemental resources such as temporary employees, consultants, affiliate employees, etc.

Track key performance indicators identified by LIPA related to recruiting, hiring, and retention practices. Key performance indicators will include: Time to Fill (exempt and non-exempt), Submittal to Interview Percentage, Voluntary/Involuntary Turnover Rates, First Year Turnover Rate, and Job Offer Acceptance Rate.

TARGETS AND CALCULATIONS

Achieve an annual vacancy rate of no greater than 5.0% in each of the following four identified organizations:

- Overall
- Transmission & Distribution
- Business Services plus Power System Management (formerly Power Markets) excluding IT
- Customer Service, including Energy Efficiency

Achieve an annual vacancy rate of no greater than 10% in the following organization:

- Information Technology (including Cyber Security)

Each of the above measured as the simple average of the 12 monthly results measured on the last day of each month in 2024.

Calculation:

1. The actual headcount for each month in 2024 is defined as the number of budgeted full-time employees on the PSEG Long Island payroll on the last business day of each month.
2. The budgeted headcount will be determined from the approved budget for each month of 2024.
3. The monthly occupancy rate equals the actual headcount divided by the budgeted headcount in each month. The monthly vacancy rate equals 1 minus the occupancy rate.
4. The annual vacancy rate equals the simple average of the monthly vacancy rates.

Note, a budget vacancy credit does not change the budgeted headcount for the month but instead acknowledges, as

LIPA 2024 Proposed Performance Metrics

BS-05: Full Time Vacancy Rate

this metric does, that some budgeted positions will be vacant. The objective of the metric is to minimize the vacancies in budgeted headcount.

100% of allocated incentive compensation payable for achievement of vacancy rate targets for 5 out of 5 organizations.

75% of allocated incentive compensation payable for achievement of vacancy rate targets for 4 out of 5 organizations.

Quarterly: On or before the 25th day of the month following the end of each quarter, PSEG Long Island will populate a LIPA-developed Smartsheet to track key performance indicators (KPIs) identified by LIPA related to recruiting, hiring and retention practices quarterly (the LIPA KPI Smartsheet). KPIs will include Time to Fill (exempt and non-exempt), Submittal to Interview Percentage, Voluntary/Involuntary Turnover Rates, First Year Turnover Rate, and Job Offer Acceptance Rate. PSEG Long Island will meet with LIPA to review metric performance at least quarterly.

All deliverables are subject to review and approval by LIPA, which shall not be unreasonably withheld.

EXCLUSIONS

Affiliate services employees, contractors, consultants, part-time employees, and temporary employees are excluded from this calculation.

Excluding situations or business conditions that arise that LIPA determines or agrees are truly out of PSEG Long Island's control.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA Sharepoint Site the following: 1) Monthly Scorecard Reporting Requirement for Full Time Vacancy Rate 2) Any additional supporting documentation as required	Monthly
Complete and provide the information identified in the LIPA KPI Smartsheet.	2024-04-25
Complete and provide the information identified in the LIPA KPI Smartsheet.	2024-07-25
Complete and provide the information identified in the LIPA KPI Smartsheet.	2024-10-25
Complete and provide the information identified in the LIPA KPI Smartsheet.	2025-01-27

Proposed 2024 Performance Metrics

BS-07: Implement Affiliate Service Remediation Plans and Transition Plans

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: AS-01 (Enhanced Affiliate Budget Transparency)
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: Gerry Ring
PSEGLI Exec. Sponsor: Martin Shames, Sonny Chung	PSEGLI Proj. Mgr: Martin Shames
PSEGLI Director: Martin Shames, Prem Patel	DPS Contact: Seth Johnson
Allocated Compensation (2021 Dollars): 800000	

OBJECTIVE

To ensure PSEG Long Island implements the Remediation Plans or, to the extent required, Transition Plans for Affiliate Services provided by PSEG Services Corporation in an efficient and effective manner in accordance with the approved plans.

TARGETS AND CALCULATIONS

Pursuant to the OSA Section 5.2 and 2023 Performance Metric BS-7, PSEG Long Island is to execute Remediation Plans and, under certain circumstances, Transition Plans.

Target:

- i. Successfully implement all deliverables of the IT Remediation / Transition Plan for maintenance and support services of IT systems currently provided by affiliate services by the end of 2024, within Budget estimates and on schedule. This plan should include a detailed cost breakdown, including Hosting/Cloud Services, Annual Maintenance, Software Subscription, and System Operational Support (both staff and contractors) related to the support and maintenance of all IT systems separated under the LIPA-approved System Separation Plan = 50% of incentive compensation
- ii. Successfully implement all deliverables of the Human Resources Remediation / Transition Plan by the end of 2024 within Budget estimates and on schedule = 20% of incentive compensation
- iii. Successfully implement all deliverables of the Procurement Remediation / Transition Plan by the end of 2024 within Budget estimates and on schedule = 20% of incentive compensation
- iv. Successfully implement all deliverables of the Remediation / Transition Plan for All Other Affiliate Areas by the end of 2024 within Budget estimates and on schedule = 10% of incentive compensation

To the extent LIPA determines a Remediation / Transition Plan is not required for a function, the allocated metric compensation will be spread among the remaining Remediation / Transition Plans.

The Remediation / Transition Plans will be in a LIPA-approved format. The plan deliverables will be added as metric deliverables in Smartsheets.

The IT Remediation / Transition Plan should address all applicable recommendations from the LIPA OMS IV&V Final Report ("Independent Verification and Validation: Findings and Recommendations on PSEG Long Island's Outage Management Systems Remediation and Re-Test"); in particular, the Staffing and Employee Retention recommendations.

Proposed 2024 Performance Metrics

BS-07: Implement Affiliate Service Remediation Plans and Transition Plans

PSEG Long Island to develop and provide an informative and comprehensive monthly Remediation / Transition Plan Implementation Status Report in a LIPA-approved format briefing LIPA staff regarding the status of implementation of approved plans. The reports should address each Affiliate function separately and reflect, at a minimum, the following elements: restate the approved plan, including milestones and final condition, actions taken to date, milestones achieved vs plan month and year-to-date, upcoming actions, and risk assessment.

To the extent that LIPA reasonably concludes that the Remediation Plans referenced above are insufficient to address LIPA's concerns, all references above to "Remediation Plans" shall be deemed to refer to Transition Plans. If any Transition Plans are required, the approval of the plans will be contingent on PSEG Long Island providing all supporting information/data required by LIPA.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
Obtain LIPA approval of the Remediation / Transition Plans and Budget estimates in accordance with the OSA and 2023 Metric BS-07. Deliverables from the approved Remediation / Transition Plans will be added to Smartsheet and incorporated into 2024 Metric BS-07 deliverables.	2024-01-31
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-02-29
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-03-31

Proposed 2024 Performance Metrics

BS-07: Implement Affiliate Service Remediation Plans and Transition Plans

Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-04-30
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-05-30
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-06-30
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-07-31
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-07-31
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-08-31
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-09-30
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-10-31
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-11-30
Submit monthly Remediation / Transition Plan Implementation Status Report.	2024-12-31

Proposed 2024 Performance Metrics

BS-13: Information Request (IR) Responses

Board Policy: N/A	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi OConnor	LIPA Proj. Mgr: Lisa Zafonte
PSEGLI Exec. Sponsor: Andrea Elder-Howell	PSEGLI Proj. Mgr: Michael Ennis
PSEGLI Director: Kara Krueger	DPS Contact: Nicholas Forst
Allocated Compensation (2021 Dollars): 300000	

OBJECTIVE

To respond to information and document requests from LIPA (such information and document requests referred to in this metric as "IRs") from a broad range of areas, including internal audit, for data, records, and information that PSEG Long Island generates or maintains in connection with providing operations services under the Second A&R OSA, within 10 days of such requests, except where LIPA agrees to exceptions to such response time as described in Targets and Calculations.

TARGETS AND CALCULATIONS

Respond to a minimum of 94% of LIPA IRs with responses that are timely (as defined below) and are reasonably acceptable to LIPA in terms of substance.

IRs fall into the following two categories:

- IRs for documents LIPA believes already exist in some format (e.g., electronic, paper) in PSEG Long Island's records and do not require the generation of new content ("Existing Documents"); and
- IRs for documents that require PSEG Long Island to generate information, in a format that does not currently exist ("Created Documents").

For the avoidance of doubt, requests that PSEG Long Island retrieve documents from IT platforms maintained by PSEG Long Island do not constitute IRs for "Created Documents." In addition, collection of documents from multiple sources does not constitute the generation of "Created Documents." Documents electronically maintained by PSEG Long Island for LIPA under the Second A&R OSA, whether such documents exist and are maintained today or at any time during the remainder of the contract, are "Existing Documents" for purposes of this metric, regardless of whether they are housed on an IT platform dedicated to LIPA documents or on a platform integrated with non-LIPA documents.

Targets:

IRs for Existing Documents will be subject to the 10/11-day rule mentioned below, subject to LIPA's discretion to grant extensions on a case-by-case basis.

IRs for Created Documents will be subject to the 10/11-day rule plus an additional 15 days upon 3 days' notice to LIPA

Proposed 2024 Performance Metrics

BS-13: Information Request (IR) Responses

with a reasonable explanation of why the document is a Created Document as opposed to an Existing Document. The three days' notice shall be provided prior to the IR's due date calculated under the 10/11-day rule. For Created Documents, additional extensions of time to respond beyond the automatic 15-day extension will be considered on a case-by-case basis consistent with the terms of the metric.

If PSEG Long Island requires additional time to respond to an IR for an Existing Document, a request for an extension of time must be made within 7 days of PSEG Long Island's initial receipt of the IR.

If PSEG Long Island requires additional time to respond to an IR for a Created Document (beyond the additional 15 days permitted above upon notice to LIPA), a request for an additional extension of time must be made within 14 days of the IR with a proposed new due date and a reasonable explanation of why the extension is necessary.

Calculations:

All calculations of "days" are based on calendar days.

For IRs issued by 2:00PM, a response to such request is expected within 10 days, and for IRs issued after 2:00PM, a response to such request is expected within 11 days (with the number of days adjusted for Created Documents above).

If a deadline falls on a Saturday, Sunday or holiday, it automatically becomes due on the next business day.

Should an IR need clarification, PSEG Long Island will notify LIPA within 2 days of receiving the IR. Once clarification is received from LIPA, the 10/11 day clock will re-start for the submission of the IR by the required due date. For example, if PSEG Long Island receives an IR on Monday that it reasonably believes requires clarification, it will request such clarification by Wednesday of that week. Calculation of the due date for the IR will begin once PSEG Long Island receives clarification from LIPA. So, if clarification is requested on Wednesday and LIPA provides clarification on Thursday, the clock begins on Thursday.

EXCLUSIONS

Where LIPA has agreed to an exclusion to the above or to a longer time frame, the exclusion or extended time frame will apply.

DELIVERABLES

Deliverable Name	Target Due Date
PSEG Long Island will report monthly to LIPA on the percent of Information Requests substantively responded to within the specified time frame, as tracked through LIPA's SmartSheet system.	Monthly

Proposed 2024 Performance Metrics

BS-22: Timely, Accurate, and Supported Storm Event Invoicing

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: Donna Mongiardo, James Murphy, Kenneth Kane
PSEGLI Exec. Sponsor: Peggy Keane	PSEGLI Proj. Mgr: Zuly Suarez
PSEGLI Director: Prem Patel	DPS Contact: Daniel Pohoreckyj
Allocated Compensation (2021 Dollars): 150000	

OBJECTIVE

To ensure PSEG Long Island provides timely, accurate, and appropriately-supported Storm Event costs to LIPA.

TARGETS AND CALCULATIONS

For Storm Events, PSEG Long Island shall:

1. Provide an estimated dollar value of damages by County (using preliminary estimated job counts that are subject to change based on final review), for each Storm Event within 10 days of the end of the follow-up period defined in ERIP-FIN-001 (Storm Accounting Protocols for Storm Events).
2. For 2023-2024 Storm Events whereby invoicing is due in 2024, submit "Invoice 1" within 3 months of the end date of the Storm Event which shall consist of:
(i) PSEG Long Island Labor; (ii) Indirect Labor (Fleet/Materials Handling); (iii) Labor Burdens (contract labor burdens); (iv) Indirect outside Services (Fleet/Materials Handling); (v) Employee Expenses (Logistics and Travel and Subsistence); and (vi) Materials
3. For 2023-2024 Storm Events whereby invoicing is due in 2024, submit "Invoice 2" within 6 months of the end date of the Storm Event which shall consist of: (i) Foreign crew tree trim, HV & LV; (ii) Damage Assessors; (iii) Wire watchers; (iv) Logistics (outside services); and (v) Other contractor invoices in support restoration.

For any 2023-2024 FEMA events whereby reporting/invoicing would be due in 2024, invoices shall be organized according to the Categories as defined in the Damage Inventory Line Item (DILI) and the timelines as outlined below (based on CAM FI-H1-16):

- Within 3 months from the Date of DILI: Category B – Call Center & Emergency Operations Center Costs, including PSEG Long Island Labor, Labor Burdens & Logistics.
- Within 4 months of Date of DILI provide Category B – Environmental Spills Clean-up cost
- Within 5 months of Date of DILI provide Category F – PSEG Long Island Labor and Burdens
- Within 6 months of Date of DILI provide Category F – Materials
- Within 7 months of Date of DILI provide Category F – Fleet
- Within 8 months of Date of DILI provide Category F – Logistics
- Within 10 months of Date of DILI provide Category F – Outside Services and Proof of Payment for all Categories above

Proposed 2024 Performance Metrics

BS-22: Timely, Accurate, and Supported Storm Event Invoicing

Timeliness is defined as meeting each of the above-stated deliverable timelines for a Storm Event. These dates can be modified by mutual consent, which shall not be unreasonably withheld, in writing by both parties depending upon the size of the event as stated on CAM-FI-H15. All such modifications will be documented through the metric exception process.

- Accuracy – LIPA will perform Independent Verification and Validation of 5 or more Storm Events for which storm invoices are presented in 2024 (storm could be declared in 2023) for compliance as defined in the 2nd Amended and Restated OSA (OSA).

- o For any Non-FEMA Storm Event, all adjustments related to the sum of PSEG Long Island labor, Employee expenses, and Materials provided in Invoice 1, or the total of Invoice 2 (measured separately) cannot exceed 5% of total applicable invoice to meet the accuracy standard for an event (i.e. the sum of PSEG Long Island Labor, Employee expenses, and Materials included in Invoice 1 = \$2M – adjustments to Invoice 1 cannot be greater than \$100k).

- o For FEMA events, the accuracy measurement will be measured on each month's Category package, described above accordance with CAM-FI-H16, Appendix A.

- o LIPA has 45 days to inform PSEG Long Island of any disputed costs submitted and PSEG Long Island has 10 business days to substantiate or remove such costs as outlined in CAM-FI-H15 and CAM-FI-H16.

Target: PSEG Long Island must meet both the Accuracy and Timeliness standard on 90% of Storm Events (rounded to nearest whole number, i.e. 20 storms @90%=18 storms; 15 storms @90%=14 storms) to earn the compensation.

PSEG Long Island shall provide a Monthly Status Report demonstrating metric performance for the prior month in a LIPA-approved format.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. "LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-02-14
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-03-13
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-04-17
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-05-15
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-06-12
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-07-17
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-08-14

Proposed 2024 Performance Metrics

BS-22: Timely, Accurate, and Supported Storm Event Invoicing

Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-09-18
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-10-16
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-11-20
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2024-12-18
Provide a Monthly Status Report demonstrating metric performance for the prior month.	2025-01-22

Proposed 2024 Performance Metrics

BS-34: Improve Budgeting, Billing, and Collection Efforts for Reimbursable Projects

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: Donna Mongiardo
PSEGLI Exec. Sponsor: Prem Patel	PSEGLI Proj. Mgr: Sonny Chung
PSEGLI Director: Sonny Chung	DPS Contact: Daniel Pohoreckyj
Allocated Compensation (2021 Dollars): 150000	

OBJECTIVE

Improve budgeting, billing, and collection processes related to cost-sharing projects (e.g. DOT, LIRR) to ensure the least cost to LIPA's customers.

TARGETS AND CALCULATIONS

Develop and implement improved processes related to new reimbursable projects that include:

- 1) Standard third-party costing methodology on various scopes of work reasonably expected to be performed in the normal course of managing the T&D system; or a process that provides a billing format that would contain supporting documentation to support a third-party audit of such billings.
 - 2) a process document that supports an internal control environment that promotes accurate and timely billing, and collection; and
 - 3) a monthly reporting package to be presented to LIPA within 30 days of each month's accounting close, that includes budget vs. actual analysis and a receivable aging analysis related to third-party reimbursable projects.
- Monthly reporting package to be provided to LIPA beginning with the month ending June 30, 2024.

LIPA will audit a sample selection of third-party invoices for compliance with the process document identified 2 above for the period after July 31, 2024.

Target:

- 50% of the metric will be to meet all identified requirements with high-quality deliverables by established due dates related to #1 and #2 above.
- 50% of metric for achieving 90%+ accuracy in the LIPA audit.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA

Proposed 2024 Performance Metrics

BS-34: Improve Budgeting, Billing, and Collection Efforts for Reimbursable Projects

believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
Submission of a standard costing methodology or revised billing format.	2024-06-30
Submit process document for improved process including collections analysis process.	2024-06-30
Provide monthly reporting package to LIPA within 30 days of each month's accounting close, that includes budget vs. actual analysis reports and receivable aging analysis related to third-party reimbursable projects.	2024-07-31

Proposed 2024 Performance Metrics

BS-35: Implement Budget Process Improvements

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: Gerry Ring
PSEGLI Exec. Sponsor: Sonny Chung	PSEGLI Proj. Mgr: Prem Patel
PSEGLI Director: Cladimir Lys, Prem Patel	DPS Contact: Seth Johnson
Allocated Compensation (2021 Dollars): 350000	

OBJECTIVE

To ensure PSEG Long Island successfully implements critical elements of the 2023 LIPA Budget Process Review.

TARGETS AND CALCULATIONS

Provide the following to address key findings of the 2023 Budget Process Review conducted by LIPA.

1. Work Management Models: Earn 60% metric compensation

A. Ensure the 2024 Transmission & Distribution (T&D) Workforce Management Model and Customer Contact Center Workforce Management Model ("Models") support the Approved 2024 Operation & Maintenance (O&M) and Capital Budgets. The T&D Workforce Management model will support Overhead, Underground, Distribution Design, Substation Maintenance, Relay, and Substation Civil crafts ("crafts") of the Budget.

B. Enhanced Variance Analysis

Beginning with March 2024 year-to-date actuals followed by each subsequent month-end, provide a monthly budget vs. actual variance analysis for T&D and Customer Contact Center in a format approved by LIPA. The variance analysis must include detailed explanations, including assumptions and inputs used in developing the T&D and Customer Call Center Workforce models, where applicable. The monthly budget vs. actual variance analysis report shall provide a comprehensive and clear variance explanation in a format mutually agreed upon between LIPA and PSEG Long Island.

C. Enhance Review of T&D

(i) For substation maintenance, produce Preventive Maintenance historical unit completion (# of mechanical and Relay Maintenance orders completed) trend based on 2020, 2021 and 2022 and average unit cost. Compare 2024 actual units and average cost to historical data on a monthly basis.

(ii) For substation maintenance, produce Corrective Maintenance historical unit completion (# of orders completed) trend based on 2020, 2021, and 2022 and average unit cost. Compare 2024 actual units and average cost to historical data on a monthly basis.

(iii) Produce electrical historical unit completion trend (# of work tickets completed) for Distribution Operations Service Personnel trend based on 2020, 2021 and 2022 and average unit cost. Compare 2024 actual units (work tickets) and average cost to historical data on a monthly basis.

(iv) T&D team members to conduct monthly meetings with PSEG Long Island and LIPA Finance to provide explanations for large drivers for variances against the historical trend.

Proposed 2024 Performance Metrics

BS-35: Implement Budget Process Improvements

2. Enhancements for 2025 Budget Development: Earn 15% metric compensation

Document the utilization of the 2025 Workforce Management Model and Customer Contact Center Workforce Model in a clear traceable format as the support in the relevant 2025 O&M and Capital Budgets. The T&D Work Management Model should also include unit data for work items in 1 B (i)-(iii) above. Submit to LIPA on or before August 1, 2024.

3. Measure Accuracy of Budget: Earn 25% metric compensation

Measure the accuracy of the T&D Workforce Management and Customer Contact Center Models used to support the 2024 Budget.

(i) Total Transmission and distribution Approved O&M budget should be within +10% of approved levels, excluding fringe expenses

(ii) Total Customer Service Approved O&M Budget are completed within +10% of approved levels, excluding fringe expenses.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
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Proposed 2024 Performance Metrics

BS-35: Implement Budget Process Improvements

Submit the 2024 Work Management and Call Center Models provided in 2023 to develop the Approved 2024 O&M And Capital Budget reconciled to the direct inputs to each category of the Approved Budget, as presented.	2024-01-15
Starting from March 2024 accounting month-end close, hold monthly variance analysis review meeting with PSEG Long Island Finance to provide LIPA documented explanations on significant drivers of unit and cost variances compared to historical trend (Meetings held monthly through year end.)	04/30/2024-12/31/2024
Align on format for enhanced variance analysis in 1B. And provide monthly variance analysis using new format.	2024-04-30
Provide detailed support for the 2025 Budget submission related to the areas identified in Step 2.	2024-08-01
Present year-end results to validate actual costs are within 10% budget variance threshold as defined in Step 3.	2025-01-31

Proposed 2024 Performance Metrics

BS-38: Improve the Rate and Tariff Change Implementation Process

Board Policy: Customer Experience, "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: William Wai
PSEGLI Exec. Sponsor: Sonny Chung	PSEGLI Proj. Mgr: Joe Trainor, nayan.parikh@pseg.com
PSEGLI Director: Prem Patel	DPS Contact: Seth Johnson
Allocated Compensation (2021 Dollars): 150000	

OBJECTIVE

Adopt improvements to ensure customers are billed rates and tariff changes accurately and in a timely manner.

TARGETS AND CALCULATIONS

1. Create a Project Implementation Plan (PIP) for Rate and Tariff Change Implementation, including the review and selection of necessary software as appropriate, to address the findings and recommendations of LIPA's third-party consultant report. The report was provided to PSEG Long Island and DPS on November 2, 2023. DPS will be provided the opportunity to review and comment on the report by December 1, 2023. The PIP must give consideration to implementing the DPS recommendations and include providing LIPA with documentation of the improved rate and tariff change implementation process and subprocesses. If there is a delay in the delivery of the report including DPS comments beyond December 1, 2023, the metric deliverables below will have a day-for-day change to accommodate late delivery of the report. The quarterly update deliverables will remain unchanged.

2. Issue a Quarterly Progress Report in a LIPA-approved format,

Part A of the report shall include tariff changes that include the implementation or changes to customer's rates during 2024 with details including

i) Rate change implementation tracking number

ii) Name and description of the rate change implemented

iii) Implementation completion day

iv) Implementation result showing statement listing all customer classes impacted and confirms the change(s) made to each of them, billing results for sample customers before and after the billing change implementation showing each changed component has been effectuated accurately, and status of validation of the billing results by both PSEG Long Island Rates and IT functions.

Part B of the report shall include an Issues Table related to the PIP with the following:

Proposed 2024 Performance Metrics

BS-38: Improve the Rate and Tariff Change Implementation Process

- i) Issue Tracking #
- ii) Description of the issue and proposed changes that address the issue
- iii) Impact on functional areas
- iv) Details of improvement for each area including obstacles, challenges, pre-requisite activities, and change plans
- v) Schedule and deadline for completion
- vi) Implementation status - completion percentage

Target: Meet all identified requirements with high-quality deliverables and deliver by established due dates. All approved rate changes in 2024 will be reviewed by LIPA and must be implemented accurately and timely to achieve this metric.

PSEG Long Island will provide all reasonably requested documentation and calculations to allow LIPA to independently review rate implementation for timeliness and accuracy.

The PIP will be in a LIPA-specified format. Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of PIP.

If there is a delay in the delivery of the consultant report beyond the earlier of (i) the date by which PSEG Long Island provides the Budget Review Notice and (ii) December 1, 2023, reasonable incremental costs to complete the PIP deliverables in 2024 above the Consolidated LIPA Budget will be treated as an Added Project.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

Proposed 2024 Performance Metrics

BS-38: Improve the Rate and Tariff Change Implementation Process

“LIPA Approved format”, where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
Submission of PIP defined in Targets and Calculations.	2024-04-30
Submit Quarterly Progress Report	2024-05-12
Obtain LIPA approval of PIP. Deliverables from the approved PIP will be added to Smartsheet as metric deliverables.	2024-05-31
Submit Quarterly Progress Report	2024-07-12
Submit Quarterly Progress Report	2024-10-11
Submit Quarterly Progress Report	2025-01-10

Proposed 2024 Performance Metrics

BS-40: Implement Improvements to Budget Process Using New Budget System

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: OBD-01 PIP Leverage New Technology
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: Gerry Ring
PSEGLI Exec. Sponsor: Sonny Chung	PSEGLI Proj. Mgr: Prem Patel
PSEGLI Director: Cladimir Lys, Prem Patel	DPS Contact: Seth Johnson
Allocated Compensation (2021 Dollars): 150000	

OBJECTIVE

Ensure that LIPA's new budget system is fully utilized by PSEG Long Island in order to maximize the benefits of the new system to improve budget development, monitoring, reporting, and analysis.

TARGETS AND CALCULATIONS

Submit a Project Implementation Plan (PIP) for LIPA review and approval of a minimum of 3 value-added budget process improvements utilizing the new EPBCS (Enterprise Planning and Budgeting Cloud Service) Budget system. The goal of these improvements is to streamline the budget process, provide more transparency, and allow for more comprehensive budget and cost analysis. The budget process improvements should include developing KPIs/Business Intelligence, analytical dashboards, improved forecasting, and Work Category level reporting and must be improvements that provide added value to the budget process.

Improvements will depend on timely and effective system implementation and rollout of LIPA's new budget system from LIPA to PSEG Long Island by December 2023. If there is a delay in the expected rollout beyond December 31, 2023, the metric deliverables below will have a month-for-month change to accommodate late delivery of the implementation. If significant system enhancements (including the lack of substantive functionality) are required or issues are identified, LIPA and PSEG Long Island will mutually agree on a revised delivery schedule where such system enhancements affect metric performance.

The PIP shall include:

1. Change management - Identify current process requiring changes to leverage the new system.
2. Description of the benefits of each improvement.
3. Schedule for implementing the improvements with actionable items beginning in 2024 and continuing through the 2025 budget monitoring period.
4. Obstacles, challenges, and pre-requisite activities.

Target: Meet all identified requirements with high-quality deliverables and deliver by established due dates.

The PIP will be in a LIPA-specified format. Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of PIP.

Proposed 2024 Performance Metrics

BS-40: Implement Improvements to Budget Process Using New Budget System

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief maybe granted for

- i) changes directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of the Service Provider.

DELIVERABLES

Deliverable Name	Target Due Date
Submit to LIPA for approval a minimum of three proposed value-added budget process improvements utilizing the new EPBCS Budget system.	2024-04-30
Submit a PIP to implement the three or more budget process improvements.	2024-05-31
Obtain LIPA approval of the PIP for the budget process improvements, reflecting LIPA comments. The PIP deliverables will be added as metric deliverables in Smartsheets.	2024-07-31

Proposed 2024 Performance Metrics

BS-41: PJD and Capital Budget Process Improvements

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: Gerry Ring
PSEGLI Exec. Sponsor: Sonny Chung	PSEGLI Proj. Mgr: Prem Patel
PSEGLI Director: Cladimir Lys, Prem Patel	DPS Contact: Seth Johnson
Allocated Compensation (2021 Dollars): 150000	

OBJECTIVE

To ensure PSEG Long Island successfully implements critical elements of the 2023 LIPA Budget Process Review.

TARGETS AND CALCULATIONS

Provide the following to address key findings of the 2023 Budget Process Review conducted by LIPA.

1. Develop internal policies and procedures to ensure Project Justification Documents (PJDs) are reviewed for quality, accuracy, and completeness before submitting to LIPA.
2. Develop a PJD development instruction manual with examples and detailed training guidance to be used to train employees on the quality development of a PJD. Such guidance shall be reviewed and approved by LIPA.
3. Provide training and educational sessions to employees who are involved in the development of PJDs.
4. Provide LIPA with increased visibility as follows:
 - a. Create a PJD quality checklist for Non-T&D projects with a budget of \$1 million or more for the current or upcoming year. The quality checklist data points/criteria will be based on the training that has been agreed upon with LIPA. The PJD quality checklist will be performed by PSEG Long Island Finance including the review for capitalization under generally accepted accounting principles. Final review and PSEG Long Island checklists will be submitted to LIPA together with applicable PJDs during the annual capital budget submittal process and for applicable new emergent capital projects occurring outside of the budget process as they arise.
 - b. Develop a capital project level report or modify an existing report to monitor the status of risk and contingency (R&C) and reconcile LIPA capital expenditure approvals vs. URB capital expenditure approvals. Format of the report to be reviewed and approved by LIPA.
 - c. After the review of the first report provided, reassess the process and make improvements as agreed upon between LIPA and PSEG Long Island.

Meet all identified requirements with high-quality deliverables and deliver by established due dates as outlined for steps 1-3 to earn 40% of the metric. LIPA will select a sample of checklist for accuracy to earn 20% of the metric. Provide for, and obtain LIPA approval of, the monitoring report measuring LIPA capital expenditure approvals compared to URB

Proposed 2024 Performance Metrics

BS-41: PJD and Capital Budget Process Improvements

approvals to earn the remaining 40%.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

T&D capital projects; Non-T&D projects below \$1 million

DELIVERABLES

Deliverable Name	Target Due Date
Develop internal policies and procedures to ensure PJDs are reviewed for quality, accuracy, and completeness before submitting to LIPA.	2024-03-15
Submit the training guidance document to LIPA for review and approval.	2024-04-30
Provide training to employees developing PJDs. Provide training to LIPA upon request.	2024-05-31
Provide the standard format for the PJD Quality Checklist for approval by LIPA.	2024-05-31
Provide R&C monitoring and LIPA Capital expenditure approvals vs. URB approvals information either in a new report or an existing report (and report continuously monthly after July 31, 2024).	2024-07-31
Provide assessment of process and proposed improvements for implementation.	2024-09-30

Proposed 2024 Performance Metrics

CS-01: Delivery of Strategic Customer Experience & Billing Projects

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Jonnie Foley, Nayan Parikh, Veronica Isaac
PSEGLI Director: Brigitte Wynn, Jessica Tighe, Mike Presti	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 500000	

OBJECTIVE

Implementation of strategic customer projects to improve customer contact, payment, and billing experience and drive top quartile performance.

TARGETS AND CALCULATIONS

PSEG Long Island to deploy the following strategic customer projects:

1. CCaaS Roadmap Enhancement Project #1 - Develop a PIP and execute implementation of a LIPA-selected enhancement project from the CCaaS Roadmap developed as part of 2023 Metric #CS-01. Project shall be selected by December 15, 2023.
2. CCaaS Roadmap Enhancement Project #2 - Develop a PIP and execute implementation of a LIPA-selected enhancement project from the CCaaS Roadmap developed as part of 2023 Metric #CS-01. Project shall be selected by December 15, 2023.
3. Chat Channel Enhancements – Develop a PIP and execute implementation of chat transactions defined in Appendix E of the Customer Chat Final Recommendations document submitted by PSEG Long Island on December 29, 2022 as part of 2022 Metric #CS-01 Chat Optimization Study that were not already deployed in 2023 as part of CCaaS project (Metric #IT-05).
4. Carryover of 2023 Metric #CS-01 Credit Card Implementation - Execution of remaining deliverables from LIPA-approved PIP that were not delivered in the 2023 performance year. Scope of work that will achieve the defined Project End State and Success Criteria of the LIPA-approved 2022 PIP shall be selected by December 15, 2023.
5. Carryover of 2023 Metric #CS-01 Kiosk Projects – Execute of remaining deliverables from LIPA-approved PIPs that were not delivered in the 2023 performance year.

Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of the PIP. The below deliverables must be included as part of the project and should be in compliance with PSEG Long Island CMMI best practices:

- > Project implementaton plan
- > Business & system requirements
- > Functonal & technical design
- > Test management plan
- > Requirements traceability matrix including test cases

Proposed 2024 Performance Metrics

CS-01: Delivery of Strategic Customer Experience & Billing Projects

- > Security review, if applicable
- > Test results with evidence
- > Business processes/procedures documentation
- > Customer communication & marketing plan
- > Customer satisfaction hypothesis and tracking
- > Go-live decision with supporting checklist

Projects that meet all of the following criteria will be considered successfully completed:

- i) meet or exceed the project expected outcomes;
- ii) pass the deliverable quality review process; and
- iii) meet due dates for project deliverables (only interim deliverables can be delivered +/- 3 weeks of the timeline in the approved PIP as long as it does not impact the go-live date)

Incentive will be allocated as follows for successful projects that meet the above criteria:

- 100% for 5 projects
- 75% for 4 projects
- 50% for 3 projects
- 0% for 2 projects or less

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

Proposed 2024 Performance Metrics

CS-01: Delivery of Strategic Customer Experience & Billing Projects

DELIVERABLES

Deliverable Name	Target Due Date
PROJECT 1: CCaaS ROADMAP ENHANCEMENT PROJECT #1	
CCaaS Roadmap Enhancement Project #1 - Provide draft Project Implementation Plan, which shall be high quality and sufficiently complete	2024-02-15
CCaaS Roadmap Enhancement Project #1 - Provide business and system requirements informed by VOC feedback and industry best practices	2024-02-15
CCaaS Roadmap Enhancement Project #1 - Provide final Project Implementation Plan for approval, incorporating all LIPA feedback. Update Smartsheet to include the LIPA-approved PIP metric deliverables and due dates.	2024-03-15
CCaaS Roadmap Enhancement Project #1 - Provide test management plan	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Provide functional and technical design document	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Provide Requirements Traceability Matrix	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Provide security review	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Provide test results with evidence	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Provide customer communication & marketing plan	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Provide updated business processes/procedures	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Provide customer satisfaction hypothesis	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Inform LIPA of go-live decision and submit completed go-live checklist that supports decision	As approved in final PIP
CCaaS Roadmap Enhancement Project #1 - Go-live	2024-06-30
CCaaS Roadmap Enhancement Project #1 - Collect customer satisfaction feedback beyond go-live. Assess results of a representative sample against customer satisfaction hypothesis. Provide results and if hypothesis is not achieved, provide analysis and plan for resolving.	As approved in final PIP
PROJECT 2: CCaaS ROADMAP ENHANCEMENT PROJECT #2	
CCaaS Roadmap Enhancement Project #2 - Provide draft Project Implementation Plan, which shall be high quality and sufficiently complete	2024-06-15
CCaaS Roadmap Enhancement Project #2 - Provide business and system requirements informed by VOC feedback and industry best practices	2024-06-15
CCaaS Roadmap Enhancement Project #2 - Provide final Project Implementation Plan for approval, incorporating all LIPA feedback. Update Smartsheet to include the LIPA-approved PIP metric deliverables and due dates.	2024-07-15

Proposed 2024 Performance Metrics

CS-01: Delivery of Strategic Customer Experience & Billing Projects

CCaaS Roadmap Enhancement Project #2 - Provide test management plan	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Provide functional and technical design document	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Provide Requirements Traceability Matrix	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Provide security review	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Provide test results with evidence	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Provide customer communication & marketing plan	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Provide updated business processes/procedures	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Provide customer satisfaction hypothesis	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Inform LIPA of go-live decision and submit completed go-live checklist that supports decision	As approved in final PIP
CCaaS Roadmap Enhancement Project #2 - Go-live	2024-12-15
CCaaS Roadmap Enhancement Project #2 - Collect customer satisfaction feedback beyond go-live. Assess results of a representative sample against customer satisfaction hypothesis. Provide results and if hypothesis is not achieved, provide analysis and plan for resolving.	As approved in final PIP
PROJECT 3: CHAT CHANNEL ENHANCEMENT PROJECT	
Chat Channel Enhancement - Provide draft Project Implementation Plan, which shall be high quality and sufficiently complete	2024-04-15
Chat Channel Enhancement - Provide business and system requirements that align to Appendix E of 2022 Customer Chat Final Recommendations	2024-04-15
Chat Channel Enhancement - Provide final Project Implementation Plan for approval, incorporating all LIPA feedback. Update Smartsheet to include the LIPA-approved PIP metric deliverables and due dates.	2024-05-15
Chat Channel Enhancement - Provide test management plan	As approved in final PIP
Chat Channel Enhancement - Provide functional and technical design document	As approved in final PIP
Chat Channel Enhancement - Provide Requirements Traceability Matrix	As approved in final PIP
Chat Channel Enhancement - Provide security review	As approved in final PIP
Chat Channel Enhancement - Provide test results with evidence	As approved in final PIP
Chat Channel Enhancement - Provide customer communication & marketing plan	As approved in final PIP

Proposed 2024 Performance Metrics

CS-01: Delivery of Strategic Customer Experience & Billing Projects

Chat Channel Enhancement - Provide updated business processes/procedures	As approved in final PIP
Chat Channel Enhancement - Provide customer satisfaction hypothesis	As approved in final PIP
Chat Channel Enhancement - Inform LIPA of go-live decision and submit completed go-live checklist that supports decision	As approved in final PIP
Chat Channel Enhancement - Go-live	2024-09-15
Chat Channel Enhancement - Collect customer satisfaction feedback beyond go-live. Assess results of a representative sample against customer satisfaction hypothesis. Provide results and if hypothesis is not achieved, provide analysis and plan for resolving.	As approved in final PIP
PROJECT 4: CREDIT CARD IMPROVEMENT (2023 PROJECT CARRYOVER)	
Credit Card Improvement - Update Smartsheet with 2023 deliverables from LIPA-approved PIPs for Credit Card Improvement project that were not delivered in 2023	As identified at 2023 yearend
PROJECT 5: KIOSK (2023 PROJECT CARRYOVER)	
Kiosk - Update Smartsheet with 2023 deliverables from LIPA-approved PIPs for Kiosk project that were not delivered in 2023	As identified at 2023 yearend
Kiosk - Update deliverable dates in PIP for Payment Arrangement functionality	2024-01-15
Kiosk (Payment Agreement) - Provide functional and technical design document	As approved in updated PIP
Kiosk (Payment Agreement) - Provide test management plan	2024-01-15
Kiosk (Payment Agreement) - Provide Requirements Traceability Matrix	2024-02-05
Kiosk (Payment Agreement) - Provide test results with evidence	2024-03-15
Kiosk (Payment Agreement) - Inform LIPA of go-live decision and submit completed go-live checklist that supports decision	2024-03-22
Kiosk - Collect customer feedback on kiosk and create a roadmap outlining the future decisions required to determine the future of kiosks	2024-06-04
Kiosk (Payment Agreement) - Go-live	2024-04-02

Proposed 2024 Performance Metrics

CS-02: J.D. Power – Residential

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Edyta Keppler
PSEGLI Director: Mike Presti	DPS Contact: Chris Ronacher
Allocated Compensation (2021 Dollars): 250000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
#10 703	#13 717	#8 730	#16 677	#13 NA	#14 690	#10 740

OBJECTIVE

Execute an effective plan to drive toward achievement of top quartile customer satisfaction within J.D. Power Residential East Large segment.

TARGETS AND CALCULATIONS

Definition: Overall J.D. Power and Associates Annual Electric Utility Customer Satisfaction Study for Residential Customers for the "East Region, Large Segment."

PSEG Long Island will develop a tactical plan to improve the overall satisfaction position, prioritizing items that will influence customers' perception, and provide progress reporting on achieving the goal on a quarterly basis. The tactical plan to be consistent with content and format expectations in the 2023 metric deliverable approved by LIPA. If there are any material changes to LIPA's expectations, LIPA will provide a format and layout two months prior to the deliverable date. This tactical plan will be worth 25% of the overall allocated compensation.

Satisfaction Position Target: Improve the overall customer satisfaction index to the targeted performance levels detailed below in the incentive allocation section.

Satisfaction Position Calculation: The position will be reported as PSEG Long Island's J.D. Power Customer Satisfaction Survey (Residential) 2024 year-end syndicated rank as reported by J.D. Power for "East Region, Large Segment." This year-end syndicated position for 2024 represents Quarter 1, Quarter 2, Quarter 3, and Quarter 4 results fielded in 2024 and will be the final YE results publicly reported by J.D. Power. The year-end syndicated position for 2024 will be determined by quartile placement or by measuring the ranking improvement over the 2023 year-end results. For example, if PSEG Long Island finishes 2023 in the 16th position, the 2024 result should be 12th or better for a four-position improvement.

Incentive to be allocated as follows:

Proposed 2024 Performance Metrics

CS-02: J.D. Power – Residential

25% for achieving the tactical plan

Up to 75% for achieving the J.D. Power Satisfaction Position target as follows:

- 75% of the allocated incentive compensation for achieving first quartile or an improvement of \geq four positions above the 2023 year-end syndicated position in the J.D. Power "East Region, Large Segment" or
- 50% of the allocated incentive compensation for achieving an improvement of \geq three positions above the 2023 year-end syndicated position in the J.D. Power "East Region, Large Segment" or
- 25% of the allocated incentive compensation for achieving an improvement of \geq two positions above the 2023 year-end syndicated position in the J.D. Power "East Region, Large Segment"

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
Submit tactical plan for performance year to improve satisfaction result, prioritizing items that will influence customers' perception.	2024-01-31
PSEG Long Island submits their calculation of the 2024 target based on 2023 results.	2024-01-31
Submit Q1 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-04-10

Proposed 2024 Performance Metrics

CS-02: J.D. Power – Residential

Submit Q2 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-07-10
Submit Q3 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-10-10
Submit Q4 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-12-31
Upload to the LIPA designated folder on the LIPA SharePoint Site the Scorecard Reporting Requirement for J.D. Power - Residential (aligned to quarterly J.D. Power reporting).	Quarterly

Proposed 2024 Performance Metrics

CS-03: J.D. Power – Business

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Edyta Keppler
PSEGLI Director: Mike Presti	DPS Contact: Chris Ronacher
Allocated Compensation (2021 Dollars): 250000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
#7 763	#9 781	#6 789	#12 737	#9 NA	#12 710	#9 NA

OBJECTIVE

Execute an effective plan to drive toward achievement of top quartile customer satisfaction within J.D. Power Business East Large segment.

TARGETS AND CALCULATIONS

Definition: Overall J.D. Power and Associates Annual Electric Utility Customer Satisfaction Study for Business Customers for the "East Region, Large Segment."

PSEG Long Island will develop a tactical plan to improve the overall satisfaction position, prioritizing items that will influence customers' perception, and provide progress reporting on achieving the goal on a quarterly basis. The tactical plan to be consistent with content and format expectations in the 2023 metric deliverable approved by LIPA. If there are any material changes to LIPA's expectations, LIPA will provide a format and layout two months prior to the deliverable date. This tactical plan will be worth 25% of the overall allocated compensation.

Satisfaction Position Target: Improve the overall customer satisfaction index to the targeted performance levels detailed below in the incentive allocation section.

Satisfaction Position Calculation: The position will be reported as PSEG Long Island's J.D. Power Customer Satisfaction Survey (Business) 2024 year-end syndicated position as reported by J.D. Power for the "East Region, Large Segment." This year-end syndicated position for 2024 represents Wave 1 and Wave 2 results fielded in 2024 and will be the final YE results publicly reported by J.D. Power. The year-end syndicated position for 2024 will be calculated by measuring the ranking improvement over the 2023 year end position. For example, if PSEG Long Island finishes 2023 in the 12th position, the 2024 result should be 9th or better for a three-position improvement.

Incentive to be allocated as follows:
25% for achieving the tactical plan

Proposed 2024 Performance Metrics

CS-03: J.D. Power – Business

Up to 75% for achieving the J.D. Power Satisfaction Position target as follows:

- 75% of the allocated incentive compensation for achieving an improvement of \geq three positions above the 2023 year-end syndicated position in the J.D. Power "East Region, Large Segment" or
- 25% of the allocated incentive compensation for achieving an improvement of \geq two positions above the 2023 year-end syndicated position in the J.D. Power "East Region, Large Segment"

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
Submit tactical plan for performance year to improve satisfaction score, prioritizing items that will influence customers' perception.	2024-01-31
PSEG Long Island submits their calculation of the 2024 target based on 2023 results.	2024-01-31
Submit Q1 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-04-10
Submit Q2 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-07-31
Submit Q3 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-10-10

Proposed 2024 Performance Metrics

CS-03: J.D. Power – Business

Submit Q4 progress report for initiatives and tasks from tactical plan, identify prior events that could negatively impact results, and propose corrective actions.	2024-12-31
Upload to the LIPA designated folder on the LIPA SharePoint Site the Scorecard Reporting Requirement for J.D. Power - Business (aligned to bi-annual J.D. Power reporting).	Bi-annual

Proposed 2024 Performance Metrics

CS-05: Customer Transactional Performance Measurement & Analysis

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Edyta Keppler
PSEGLI Director: Mike Presti	DPS Contact: Chris Ronacher
Allocated Compensation (2021 Dollars): 400000	

OBJECTIVE

Drive continuous improvement initiatives among various channel transactions and inquiries through on-going measurement and evaluation of customer satisfaction, transactional ease, and operational data including customer behaviors, segmentation, utilization volume, and cost per transaction. Enhance the existing survey approach and reporting to deepen customer insights.

TARGETS AND CALCULATIONS

PSEG Long Island to deliver the following:

BASE COLLECTION & ANALYSIS

1. Collect, analyze, and report on customer feedback across payment, billing, move in/move out (MIMO), outage, and collection transactions.
2. Compile 2023 cost per transaction analysis in LIPA-approved format from 2021 cost per transaction analysis
3. Document mapping of transaction types surveyed in the new CCaaS system to the appropriate transaction category for the following channels: IVR, live agent call, email, live agent chat, and chatbot. Document methodology for frequency of survey offering by channel.
4. Analyze the survey results with associated operational data including behavioral, segmentation, usage and cost per transaction. From the analyzed results and data, provide observations and deep insights (patterns, trends, correlations). Draw and document informed conclusions. Provide recommendations to drive continuous improvement initiatives in customer satisfaction and ease. Categorize recommendations/issues into categories of people, process, or technology and complexity of low, medium, high. Communicate the findings and insights with relevant stakeholders.

PROJECT PLANNING

Develop a Project Implementation Plan (PIP) to implement the following survey and reporting enhancements:

1. Expand surveys to include transactions that were not successful (failed or incomplete) for payments and payment arrangements (due date extension and installments) on MyAccount and mobile app. Expansion effort includes but is not limited to: a) defining failed and incomplete scenarios based on common system error responses; b) tracking and categorizing transaction status; and c) appending survey results with success category.
2. Expand surveys to include transactions not historically surveyed including: a) all other collections & payment assistance-related transactions beyond payment arrangements; b) billing transactions in MyAccount and mobile app; and c) additional payment-related transactions in MyAccount and mobile app.
3. Provide monthly volume by transaction and channel for: a) total completed transactions/inquires; b) total surveys

Proposed 2024 Performance Metrics

CS-05: Customer Transactional Performance Measurement & Analysis

sent; and c) total surveys received/completed. Total completed transaction volume for outages should be based on outage occurrence.

4. Explore utilizing other available data points beyond customer intent in CCaaS, including agent or system tagging, to more accurately identify and categorize transaction type. If data points are available, develop hierarchy to appropriately categorize survey.

5. Transition to "on-site" surveying within interaction channel, including MyAccount, mobile app, and SMS/text to increase participation and minimize survey fatigue.

6. Initiate "on-site" customer surveys according to best practices for MyAccount, mobile app, and text/SMS. Update logic so MIMO surveys are only triggered after issuance of first or final bill.

7. Build capability to automatically append survey results with operational, segmentation, and behavioral data to deepen insights from analysis:

a. Outage - append survey results with supplemental data to include: i. customer type (res, com); ii. ECRI designation (LSE, Critical facilities, none); iii. initial ETR provided to customer; iv. actual time to restore; v. number of total ETRs provided to customer; vi. whether subsequent ETRs were longer or shorter; vii. weather condition (blue sky, grey sky, storm); viii. type of outage (e.g. transmission, main, branch, transformer, secondary/service); ix. day & time of outage & restoration; x. zip code; xi. if customer reported outage (Y/N); xii. if customer is enrolled in for outage alerts (Y/N); xiii. if customer received outage notification (Y/N); and xiv. if customer received restoration notification (Y/N)

b. Payment, Collections, MIMO, Billing - append survey results with supplemental data to include: i. channel; ii. transaction type; iii. account number; iv. date of interaction; v. time of interaction; vi. rep id; vii. call handling time; viii. call wait time; ix. CCaaS-generated customer contact sentiment; x. budget billing (Y/N); xi. payment method (ACH/CC); xii. paperless (Y/N); xiii. #MyAccount/mobile log-ins for prior 30 days; xiv. #Calls for prior 30 day; xv. MyAlert enrollment type; xvi. LMI account; xvii. arrears amount; xviii. open complaint filed; xix. zip code; xx. last bill (estimated/actual); xxi. payment arrangement (Y/N); and xxii. transaction success category

PROJECT IMPLEMENTATION

Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of the PIP. The go-live can be split into phases as long as all enhancements are deployed within 2024. The below deliverables must be included as part of the project and should be in compliance with CMMI standards for the following:

- > Business & system requirements
- > Functional & technical design
- > Requirements traceability matrix including test cases
- > Business processes/procedures documentation
- > Go-live decision with supporting checklist

Target: Meet all identified requirements with high-quality deliverables and by established due dates. Reports and analysis to be in LIPA-approved format.

Incentive for deliverables that meet the above criteria will be allocated as follows:

- 1/3 for completion of Base Collection & Analysis and Project Planning Deliverables

Proposed 2024 Performance Metrics

CS-05: Customer Transactional Performance Measurement & Analysis

- 2/3 for completion of Project Implementation Plan

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
BASE COLLECTION & ANALYSIS	
Provide list of transaction types surveyed in CCaaS and mapping to transaction category	2024-01-20
January survey result reports and supporting detail	2024-02-20
February survey result reports and supporting detail	2024-03-20
March survey result reports and supporting detail	2024-04-20
Provide 2023 cost per transaction analysis	2024-04-30
April survey result reports and supporting detail	2024-05-20
Provide observations and recommendations from survey results, operational data, and cost per transaction analysis to drive continuous improvement	2024-07-15
May survey result reports and supporting detail	2024-06-20
June survey result reports and supporting detail	2024-07-20
July survey result reports and supporting detail	2024-08-21
August survey result reports and supporting detail	2024-09-20
September survey result reports and supporting detail	2024-10-20

Proposed 2024 Performance Metrics

CS-05: Customer Transactional Performance Measurement & Analysis

October survey result reports and supporting detail	2024-11-20
November survey result reports and supporting detail	2024-12-20
December survey result reports and supporting detail	2025-01-20
PROJECT PLANNING	
Provide draft Project Implementation Plan, which shall be high quality and sufficiently complete	2024-01-31
Provide final Project Implementation Plan for approval, incorporating all LIPA feedback. Update Smartsheet to include the LIPA-approved PIP metric deliverables and due dates.	2024-02-29
PROJECT IMPLEMENTATION	
Provide business & system requirements	As approved in final PIP
Provide functional & technical design document	As approved in final PIP
Provide Requirements Traceability Matrix	As approved in final PIP
Provide updated business processes/procedures	As approved in final PIP
Inform LIPA of go-live decision and submit completed go-live checklist that supports decision	As approved in final PIP
Go-live	2024-06-30

LIPA 2024 Proposed Performance Metrics

CS-10: Billing – Cancelled Rebill

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Vignesh Solai
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Thenaris Godbolt
PSEGLI Director: Brigitte Wynn	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 200000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	0.62%	NA	0.76%	0.50%	0.23%	0.18%

OBJECTIVE

Provide an accurate bill to the customer the first time, not requiring a subsequent adjustment.

TARGETS AND CALCULATIONS

Accuracy of a customer bill is measured by issuance of a subsequent bill for a previously billed period. Cancel/re-bill transactions are measured monthly based on issuance of a bill where the customer is being sent a correction for a previously issued bill. This includes all cancellations performed by the PSEG Long Island staff, as well as the cancel/re-bills performed automatically by the billing system.

Calculation: The sum of the number of the monthly cancel/rebill accounts divided by the sum of the number of unique bills issued for the contract year

Example calculation:

- o In January of 2021, PSEG Long Island rendered 1,052,628 customer bills
- o In January of 2021, PSEG Long Island issues 6,601 cancel/rebills accounts
- o The performance level for January 2021 would be $6,601 / 1,052,628 = 0.636\%$
- o For contract year 2020, PSEG Long Island rendered 13,048,651 customer bills
- o For contract year 2020, PSEG Long Island issues 84,980 cancel/rebills
- o The performance level for the performance metric would be $84,980 / 13,048,651 = 0.651\%$

Target: A performance of less than or equal (\leq) to 0.15% of cancel/re-bills relative to total bills issued within the target time frame.

LIPA 2024 Proposed Performance Metrics

CS-10: Billing – Cancelled Rebill

EXCLUSIONS

Exclusions will be granted if situations or business conditions arise that LIPA determines or agrees are truly out of PSEG Long Island’s control, as long as, they are presented to LIPA within 5 business days.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Billing - Cancel Rebills 2) Any additional supporting documentation as required	Monthly

LIPA 2024 Proposed Performance Metrics

CS-11: Contact Center Service Level with Live Agent Calls

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Brian Merkle
PSEGLI Director: Jessica Tighe	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 300000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	75.1%	NA	80.3%	80.0%	29.2%	80.0%

OBJECTIVE

Measure response of Customer Service Representatives to customer calls to promote efficient staffing and customer satisfaction.

TARGETS AND CALCULATIONS

The Contact Center Service Level for this metric is all calls handled by a representative (live agent) from Automatic Call Distribution (ACD) and High Volume Call Application (HVCA). When a customer is seeking to speak to a customer service representative, the performance expectation will be:

- o During blue sky days and any storms defined as “non-major,” 77% of calls will be answered within 30 seconds
- o During “major storms,” 77% of calls will be answered within 90 seconds

Major Storm is defined as any storm which causes service interruptions of at least ten percent of customers in an operating area, or if the interruptions last for 24 hours or more.

Note: HVCA results are included in this metric if they are transferred to a live person to handle.

For calls handled using PSEG Long Island's IVR and ACD systems, the source of reporting will be the IVR and ACD vendor reporting tools. For calls handled using the HVCA application, the source of reporting will be the HVCA vendor reporting system, if different than the ACD.

Calculation: The sum of the number of contacts answered in the contract year within the target thresholds defined above divided by the number of contacts offered in the contract year.

Formula = (major storm day ACD calls answered by the representative in 90 seconds + HVCA major storm calls answered by a representative in 90 seconds + ACD non-storm answered by a representative in 30 seconds + HVCA non-storm

LIPA 2024 Proposed Performance Metrics

CS-11: Contact Center Service Level with Live Agent Calls

answered by an HVCA provider in 30 seconds) divided by (ACD representative offered calls + HVCA representative offered calls)

- Target =
- ≥ 77.0% for year = 100% of Allocated Incentive Compensation or
 - ≥ 73.0% for year = 50% of Allocated Incentive Compensation

EXCLUSIONS

All contacts that are answered solely by IVR or any other self-service technology are excluded.
Incoming rep offered calls to the Time-of-Day skill queue are excluded.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Contact Center Service Level with Live Agent Calls 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

CS-14: Net Dollars Written Off

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Kim Soreil
PSEGLI Director: Brigitte Wynn	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 300000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	\$13,927,845	NA	\$11,270,944	NA	\$25,003,088	\$28,965,369

OBJECTIVE

Actively manage the receivables and associated write-offs and recoveries to maintain a solid financial position.

TARGETS AND CALCULATIONS

Definition: Net Write-Offs measures the effectiveness of recovery efforts of uncollectible revenue. It is an overall measure of the possibility of the business incurring bad debts.

Measured as the total net dollars written-off for January 1 to December 31, 2024.

Calculation: Total accounts receivable write-offs less recoveries received from January 1, 2024 to December 31, 2024.

Targets:

The total net write-off for January 1 to December 31, 2024 is:

- ≤ \$20,836,630 = 100% of Allocated Incentive Compensation or
- ≤ \$21,014,400 = 50% of Allocated Incentive Compensation

EXCLUSIONS

If a state mandated moratorium on shut-off is instituted for residential customers for more than two months prior to June 2024, the target will be adjusted for the period of time the moratorium is in effect to reflect the impact. The adjustment will be equal to the forecasted lock for non-payment write-off amount based on the final bill months that are in the state moratorium period. If it is a partial month, the target will be lowered by the percent of workdays in the month that are in the moratorium

DELIVERABLES

Proposed 2024 Performance Metrics

CS-14: Net Dollars Written Off

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Net Write-Offs 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

CS-15: Arrears Aging Percent > 90 Days Past Due (Arrears %>90)

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Kim Soreil
PSEGLI Director: Brigitte Wynn	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 300000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	56.7%	NA	68.3%	NA	65.63%	48.04%

OBJECTIVE

Effective management for aged receivables > 90 days to maintain a solid financial position.

TARGETS AND CALCULATIONS

Definition: Accounts receivable (AR) > 90 days measures the percent of past-due AR that have aged more than 90 days (i.e. excluding current AR).

Calculation: AR aging % YTD = Rolling 12-month total dollars outstanding more than 90 days / Rolling 12-month total dollars outstanding 30 and more days past due.

Target

≤ 48.58% = 100% of Allocated Incentive Compensation

EXCLUSIONS

If a state-mandated moratorium on shut-off is instituted for residential customers for more than 2 months during 2024, the target will be adjusted for the period the moratorium exists based on field disconnection portion of funds anticipated during that period. Partial months will be calculated based on workdays and the days covered by the moratorium legislation.

Proposed 2024 Performance Metrics

CS-15: Arrears Aging Percent > 90 Days Past Due (Arrears %>90)

Changes in any state or federal arrears assistance program beyond LI HEAP, where it impacts the outstanding arrears, will be adjusted in a manner consistent with the methodology utilized in 2022 and 2023. There will be no adjustment to the targets for programs implemented as a discount or a reduction to revenue.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Arrears Aging Percent > 90 Days Past Due (Arrears %>90) 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

CS-17: Low to Moderate Income (LMI) Program Participation

Board Policy: "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Vignesh Solai
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Kim Soreil
PSEGLI Director: Brigitte Wynn	DPS Contact: Denise Prestinari
Allocated Compensation (2021 Dollars): 200000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
35,000	45,721	35,000	46,917	55,000	42,528	50,000

OBJECTIVE

Increase the Low to Moderate Income (LMI) program customer enrollment in the Household Assistance Rate (HAR).

TARGETS AND CALCULATIONS

Definition: Count the number of unique valid LMI program enrollees in any month during the calendar year 2024 and demonstrate execution of an update of records based on automated matching at least once for the Rockaways and Nassau County in the program year.

Target and Calculation: Meet 50,000 LMI program enrollees in any month during the calendar year 2024 and demonstrates that automated file matching was executed, and the customer rate has been updated for the Rockaways and Nassau County data matching file.

EXCLUSIONS

Customers who have not met the 18-month renewal process. The automation requirement would be exempted if PSEG Long Island demonstrates that the agency refused to participate or if PSEG Long Island pursued automation beginning in January and the agency was unable to complete the execution of an automated matching process in 2024.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Low to Moderate Income (LMI) Program Participation 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

CS-19: DPS Customer Complaint Rate

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: John Krilovitch
PSEGLI Director: Mike Presti	DPS Contact: Chris Ronacher
Allocated Compensation (2021 Dollars): 50000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
6.5 N/A	11.8 #6	5.0 N/A	2.0 #1	4.2 N/A	3.8 #1	4.2 N/A

OBJECTIVE

Keep customer regulatory complaints to a minimum.

TARGETS AND CALCULATIONS

Definition: Total Number of Initial Customer Complaints registered with the NY Department of Public Service, Public Service Commission

- Monthly: Initial Complaint Rate = (Initial Complaints Total / Customer Population) * 100,000 Customers
- YTD: Rolling 12-month Initial Complaint Rate = [(Rolling 12 Month Initial Complaints Total /12) /Customer Population] * 100,000 Customer

Target level performance: Targeted performance level would be to achieve the top position for Rolling 12-month Initial Complaint Rate for electric and combination companies within the peer group. The peer group will include all electric and combination companies in New York State which includes the below:

- Central Hudson Gas & Electric Corp.
- Con Edison of New York
- National Grid-Upstate
- New York State Electric & Gas Corp.
- Orange & Rockland
- Rochester Gas & Electric Corp.

EXCLUSIONS

None

Proposed 2024 Performance Metrics

CS-19: DPS Customer Complaint Rate

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for DPS Customer Complaint Rate 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

CS-21: Outage Information Satisfaction

Board Policy: Customer Experience	Board PIPs: 4.01: Comprehensive IT Plan for Outage Reporting and Communications
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Edyta Keppler
PSEGLI Director: Mike Presti	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 200000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	NA	NA	NA	NA	65%	70%

OBJECTIVE

Improve customer satisfaction with PSEG Long Island's proficiency in providing information for customers who experience an outage.

TARGETS AND CALCULATIONS

Survey all impacted customers after a residential and commercial customer experience of an outage to measure whether the customer was satisfied when asked the following question on the outage survey, "Overall satisfaction with the information received during the outage." Measured on a scale of 1 to 10 with 10 being extremely satisfied and 1 being extremely dissatisfied.

Calculation: % of Satisfied Customers = Blended (Residential + Commercial responses) with a Rating of 6-10 for the Target Question / Total Number of Responses to the Target Question

Target: Percentage point improvement over the % of Satisfied Customer baseline* from the new survey platform

- ≥ 6.00 percentage point improvement = 100% of Allocated Incentive Compensation
- 4.00 – 5.99 percentage point improvement = 75% of Allocated Incentive Compensation
- 2.00 – 3.99 percentage point improvement = 50% of Allocated Incentive Compensation
- < 2.00 percentage point improvement = 0% of Allocated Incentive Compensation

*Given that the outage survey platform is changing in October 2023, PSEG Long Island shall establish a new platform survey result baseline as observed during October 2023 through December 31, 2023. If there is a difference in the survey results between platforms greater than +/- 5 percentage points, PSEG Long Island and LIPA will meet to determine how best to adjust the target. All questions posed in the new survey platform will be as agreed between PSEG Long Island and LIPA in September 2023.

Proposed 2024 Performance Metrics

CS-21: Outage Information Satisfaction

Monthly supporting documentation will be consistent with the existing outage survey reporting.

EXCLUSIONS

Surveys do not include planned outages.

DELIVERABLES

Deliverable Name	Target Due Date
PSEG Long Island provide 2024 baseline based on 2023 survey results from the new platform	2024-01-31
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for % of Satisfied Customers for Outage Information 2) Any additional supporting documentation as required	Monthly

LIPA 2024 Proposed Performance Metrics

CS-25: Interactive Voice Response (IVR) Containment Rate

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Philip Decicco
PSEGLI Director: Jessica Tighe	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 150000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	57.41%	NA	60.06%	NA	57.81%	61.00%

OBJECTIVE

Improve caller self-service provided by the IVR.

TARGETS AND CALCULATIONS

The containment rate is the percentage of callers who interact with the IVR residential customer general inquiry line, business solution center line, and the emergency line, and leave normally without transferring to the Automatic Call Distribution (ACD) system. Normal hang ups and transfers to payment vendor are considered contained and are to be counted in the numerator. Customer- initiated responses to outbound contacts that are routed to the IVR for a follow-up are to be counted in the denominator. Callbacks are only to be counted once in the denominator.

Calculation: % of Calls Contained = (Normal Hang Up* + Payment Vendor Transfers) / Total Number of Calls Answered in IVR

*Normal Hang Up = IVR Answered – Payment Vendor Transfers – Transfers to ACD – Callback Requests – Requests to Transfer to ACD during non-Business Hours

Target:

≥ 5.0% improvement over baseline** result – 100% of the overall allocated incentive compensation or

≥ 2.5% improvement – 50% of the overall allocated incentive compensation or

≥ 1.0% improvement – 25% of the overall allocated incentive compensation

**Baseline is January 1, 2023 through the sooner of 1) go live of the new NICE/Omilia IVR technology or 2) December 31, 2023.

Performance will be based on rounding for 2 significant digits to the right of the decimal point.

Measurement will begin 3 months after the go-live of the new NICE/Omilia IVR technology.

LIPA 2024 Proposed Performance Metrics

CS-25: Interactive Voice Response (IVR) Containment Rate

EXCLUSIONS

Exclude from numerator the following:

- 1) Callback requests
- 2) Hang ups resulting from system issues

Exclude from the numerator and denominator the following:

- 1) Transfers from ACD back to IVR
- 2) HVCA calls
- 3) Calls resulting from any scenario that prevents the customer while conducting regular business in the IVR from transferring to the ACD during normal business hours.

DELIVERABLES

Deliverable Name	Target Due Date
PSEG Long Island submits their calculation of the 2024 target based on 2023 results.	2024-01-31
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for % of IVR containment 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

CS-28: Move Process Improvement

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Nayan Parikh
PSEGLI Director: Mike Presti	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 350000	

OBJECTIVE

Streamline the residential move process to complete the transaction within one efficient interaction.

TARGETS AND CALCULATIONS

Effectively execute LIPA-approved PIP as developed per 2023 Metric #CS-28. If a PIP is not developed in 2023, PSEG Long Island shall deliver a PIP as of January 15, 2024. This improvement project is to streamline the residential move in/move out/transfer (MIMO) process steps (excluding restores) for both the customer and the agent. The customer experience should be considered throughout the newly automated journey and when addressing improvements in MIMO information and flow on the corporate website.

Customers who request a MIMO transaction through self-service (IVR, chatbot, web) should be able to complete the transaction through the one interaction and not be required to switch channels to complete. Manual processing by Back Office Agents of non-exception MIMO transactions initiated by customers in self-service should be eliminated. Agents that process the MIMO transaction during live calls, live chats, or emails should be able to more quickly complete the entire transaction during the interaction. Automations for the customer and agent include, but not limited to the following:

- i) identity verification;
- ii) address validation;
- iii) account/property validation;
- iv) account and service order processing in the systems;
- v) arrears balance payment request and processing (excluding charge offs);
- vi) communication of the decision and/or next steps if transaction cannot be completed during the interaction;
- vii) agent exception creation; and
- viii) any other identified pain points in the business process, where appropriate.

The expected outcomes for this project related to non-exception residential MIMOs are to:

- i) eliminate manual back-office processes for self-service;
- ii) reduce agent-assisted call and email volumes;
- iii) reduce agent-assisted call and email AHTs; and
- iv) allow customers to complete MIMO transaction through one interaction in channel of choice.

Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of the PIP. The below

Proposed 2024 Performance Metrics

CS-28: Move Process Improvement

deliverables must be included as part of the project and should be in compliance with CMMI best practices:

- > Project implementation plan
- > Business & system requirements
- > Functional & technical design
- > Test management plan
- > Requirements traceability matrix including test cases
- > Security review
- > Test results with evidence
- > Business processes/procedures documentation
- > Customer communication & marketing plan
- > Go-live decision with supporting checklist

Projects that meet all of the following criteria will be considered successfully completed:

- i) meet or exceed the project expected outcomes;
- ii) pass the deliverable quality review process; and
- iii) meet due dates for project deliverables (only interim deliverables can be delivered +/- 3 weeks of the timeline in the approved PIP as long as it does not impact the go-live date).

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

Proposed 2024 Performance Metrics

CS-28: Move Process Improvement

DELIVERABLES

Deliverable Name	Target Due Date
Move Automation Project - Provide Project Implementation Plan if not delivered in 2023	2024-01-15
Move Automation Project - Provide business and system requirements informed by VOC feedback and industry best practices	As approved in final PIP
Move Automation Project - Provide test management plan	As approved in final PIP
Move Automation Project - Provide functional & technical design document	As approved in final PIP
Move Automation Project - Provide Requirements Traceability Matrix	As approved in final PIP
Move Automation Project - Provide security review	As approved in final PIP
Move Automation Project - Provide test results with evidence	As approved in final PIP
Move Automation Project - Provide customer communication & marketing plan	As approved in final PIP
Move Automation Project - Provide updated business processes/procedures	As approved in final PIP
Move Automation Project - Inform LIPA of go-live decision and submit completed go-live checklist that supports decision.	As approved in final PIP
Move Automation Project - Go-live	2024-12-15

Proposed 2024 Performance Metrics

CS-30: Optimize Contact Center Resource Utilization

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Philip Decicco
PSEGLI Director: Jessica Tighe	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 250000	

OBJECTIVE

Ensure the use of agent resource time in the most efficient and effective manner possible. Create new report and process to improve resource optimization through adjustments to over/under agent staffing and scheduling by re-forecasting volumes within the day and adjusting agent schedules and their time utilization to meet the real time volume.

TARGETS AND CALCULATIONS

This project is to develop and execute two Project Implementation Plans (PIPs):

1) A PIP to deliver (i) a new resource utilization report and (ii) detailed procedures to make operational changes to react to trends in the report:

i) The new resource utilization report will measure and baseline intraday resource optimization for the contact center across agent-assisted phone, chat, and email work. The report must include the following concepts:

- a. Agent Schedule Efficiency – This is a measure of how closely the scheduled agents match the actual agent need (including surge and overtime) as a percentage for the day. This metric is a critical way that the call center adjusts for over/under agent staffing and scheduling by re-forecasting call volumes within the day and adjusting agent schedules and their time utilization accordingly to meet the real time volume. The goal of intraday is to optimize agent time by moving, cancelling, and/or adding work and agents so that service levels are met, and agent time utilization is optimized within 30-minute increments. These categories will need to be established and/or re-defined in the Automatic Call Distribution (ACD) system under the following three headings - 1) Productive work (e.g. inbound calls, outbound calls, email, chat, offline work); 2) Non-productive work (e.g. coaching, training, project); and 3) Auxiliary workstate/mode (e.g. break, lunch, personal, system down)
- b. Intraday Agent Schedule Adherence – The percentage of time an agent was doing the work as prescribed by their schedule. All time will be scheduled to include lunch, breaks, phone time, email time, coaching, meetings, etc.

ii) New detailed procedures to address the following. The procedures are required to be completed for every regular workday and cover the call center open hours, which is currently operational from 8 AM – 8 PM. Holidays and weekends are not covered; however, storm days are covered since it is important to respond to customers.

- a. Intraday call volume re-forecasting (re-defining the anticipated call volume by 30-minute increments for that day by mid-morning)
- b. Intraday schedule adjustments (adjust the current day's schedules to minimize the staffing overs (too many

Proposed 2024 Performance Metrics

CS-30: Optimize Contact Center Resource Utilization

scheduled) or unders (too few scheduled) by changing the work state/mode assignment)

2) A PIP and execution of associated improvement activities to optimize and improve intraday Contact Center resource utilization for performance benefits to be realized in 2025.

Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of the PIP. The below deliverables must be included as part of the project and should be in compliance with CMMI best practices:

- > Project implementation plans
- > Business & system requirements
- > Functional & technical design
- > Business processes/procedures documentation

Project deliverables that meet all of the following criteria will be considered successfully completed:

- i) deliver outputs as defined in the PIPs;
- ii) pass the deliverable quality review process; and
- iii) meet due dates for project deliverables.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Proposed 2024 Performance Metrics

CS-30: Optimize Contact Center Resource Utilization

Deliverable Name	Target Due Date
1) RESOUCCE UTILIZATION REPORT & PROCEDURES	
Resource Utilization Report & Procedures - Provide draft PIP, which shall be high quality and sufficiently complete	2024-01-15
Resource Utilization Report & Procedures - Provide business & system requirements, which shall also include concepts in metric definition	2024-01-15
Resource Utilization Report & Procedures - Provide final PIP for approval, incorporating all LIPA feedback. Update Smartsheet to include the LIPA-approved PIP metric deliverables and due dates.	2024-02-15
Resource Utilization Report & Procedures - Provide functional and technical design	2024-02-15
Resource Utilization Report & Procedures - Go-live: Provide final version of production report. If technically possible, provide monthly data retro to CCaaS go-live in 2023.	2024-02-29
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - March	2024-04-05
Resource Utilization Report & Procedures - Establish procedures and processes to perform intraday call volume reforecasting and agent schedule adjustments	2024-04-15
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - April	2024-05-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - May	2024-06-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - June	2024-07-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - July	2024-08-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - August	2024-09-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - September	2024-10-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - October	2024-11-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - November	2024-12-05
Resource Utilization Report & Procedures - Submit monthly Resource Utilization report - December	2025-01-05
2) RESOURCE UTILIZATION IMPROVEMENT	
Resource Utilization Improvement - Provide draft PIP, which shall be high quality and sufficiently complete	2024-05-31
Resource Utilization Improvement - Provide final PIP for approval, incorporating all LIPA feedback. Update Smartsheet to include the LIPA-approved PIP metric deliverables and due dates.	2024-06-30
Resource Utilization Improvement - Provide business & system requirements	As approved in final PIP
Resource Utilization Improvement - Provide functional and technical design	As approved in final PIP
Resource Utilization Improvement - Go-live	2024-11-30

LIPA 2024 Proposed Performance Metrics

CS-31: Call Average Handle Time (AHT)

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Sarah Mandli
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Brian Merkle, Philip Decicco
PSEGLI Director: Jessica Tighe	DPS Contact: Mike Sherman
Allocated Compensation (2021 Dollars): 300000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	405	NA	388	NA	433	NA

OBJECTIVE

Improve agent efficiency in responding to customer inbound phone inquiries by achieving pre-COVID (2019) and utility top quartile benchmark performance levels.

TARGETS AND CALCULATIONS

Quantitative Metric: For 2024, achieve the AHT target for Call Center operations. The AHT for this metric is the average duration of calls answered by the Call Center reps as tracked in the PSEG Long Island Call Center Daily Monthly YTD Summary report.

AHT Calculation: The sum of the call duration (Talk time + Hold time + After call work time) in seconds of rep answered calls in the contract year / total number of rep answered calls in the contract year

AHT Target (75% of the allocated compensation):

- Level 1 ≤ 376 seconds
- Level 2 ≤ 390 seconds

Improvements in AHT cannot degrade First Call Resolution after-call survey results for agent-assisted calls below 79%. If a decrease below 79% occurs, LIPA and PSEG Long Island will establish a mutually agreed upon adjustment (increase) to the actual AHT results for the month(s) that did not achieve 79%.

Project Deliverables: (25% of the allocated compensation):

Develop and execute a comprehensive Project Implementation Plan (PIP) in 2024 focused on continued reduction of AHT. LIPA and PSEG Long Island will work together to develop an approach and targeted end state level taking into consideration top quartile utility trends. This plan must include the following steps:

- 1) A detailed statistical analysis to determine the factors that are causing the current high level of AHT. The statistical

LIPA 2024 Proposed Performance Metrics

CS-31: Call Average Handle Time (AHT)

analysis must identify variance in the following factors:

- a. Avg Talk Time
- b. Avg. Hold Time
- c. After Call Work Time

2) The plan must address a method for determining the root cause of the current level AHT, including monitoring and analysis of actual calls, using voice and screen capture to substantiate and report findings. The following list are examples of root cause analyses findings:

- a. Lack of training/incomplete training
- b. Inability to efficiently navigate multiple systems
- c. Being distracted/not paying attention to the caller
- d. Taking unauthorized breaks
- e. Inefficient availability of customer information
- f. Poor information from system handoffs to agent
- g. Inefficient process/procedure design
- h. Insufficient performance management

3) The plan must address a means for resolving the root cause issues.

Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of the PIP. The below deliverables must be included as part of the project and should be in compliance with CMMI best practices:

- > Project implementation plan (people, process and technology)
- > AHT statistical analysis with underlying raw data
- > Business & system requirements
- > Functional & technical design
- > Requirements traceability matrix including test cases
- > Test results with evidence
- > Business processes/procedures documentation
- > Go-live decision with supporting checklist

Project deliverables that meet all of the following criteria will be considered successfully completed:

- i) deliver outputs as defined in the PIP;
- ii) pass the deliverable quality review process; and
- iii) meet due dates for project deliverables

Incentive to be allocated as follows:

25% for achieving project deliverables

Up to 75% for achieving AHT target as follows:

LIPA 2024 Proposed Performance Metrics

CS-31: Call Average Handle Time (AHT)

- 75% of the allocated incentive compensation for achieving Level 1 (≤ 376 seconds) or
- 50% of the allocated incentive compensation for achieving Level 2 (≤ 390 seconds)

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

For 2024 quantitative metric:

- AHT results will exclude incoming calls answered from the Time-of-Day skill queue
- In the event of a major storm that produces 100,000 or more outages, AHT results will be excluded up to 3 additional days after the active outages fall below 100,000 or the conclusion of the major storm, whichever is sooner.

For 2024 project - Schedule relief may be granted for

- delays directed or requested by LIPA or
- situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
AHT QUANTITATIVE	
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Call Average Handle Time 2) Any additional supporting documentation as required	Monthly
AHT IMPROVEMENT PROJECT	

LIPA 2024 Proposed Performance Metrics

CS-31: Call Average Handle Time (AHT)

AHT Improvement Project - Provide statistical analysis of AHT with underlying raw data	2024-01-31
AHT Improvement Project - Provide draft PIP (people, process and technology), which shall be high quality and sufficiently complete, to resolve AHT root cause. PIP to also include methods utilized to determine root cause	2024-02-29
AHT Improvement Project - Provide final PIP for approval, incorporating all LIPA feedback. Update Smartsheet to include the LIPA-approved PIP metric deliverables and due dates	2024-03-31
AHT Improvement Project - Provide business & system requirements	As approved in final PIP
AHT Improvement Project - Provide test management plan	As approved in final PIP
AHT Improvement Project - Provide functional and technical design	As approved per the final PIP
AHT Improvement Project - Provide Requirements Traceability Matrix	As approved in final PIP
AHT Improvement Project - Provide test results with evidence	As approved in final PIP
AHT Improvement Project - Provide updated business processes/procedures for changes to resource management, process and/or technology and methodology for continuous identification of AHT root cause	As approved in final PIP
AHT Improvement Project - Inform LIPA of go-live decision and submit completed go-live checklist that supports decision.	As approved in final PIP
AHT Improvement Project - Go-live	2024-07-31
AHT Improvement Project - Provide evidence of utilization of new technology, performance/resource management, and processes and quantify impact on AHT	2024-08-31

LIPA 2024 Proposed Performance Metrics

IT-01: IT Organizational Maturity

Board Policy: Information Technology and Cyber Security	Board PIPs: 7.04: IT Organizational Maturity
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Randy Rinon
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr: Joseph Jacko
PSEGLI Director: Joseph Jacko	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 350000	

OBJECTIVE

PSEG Long Island IT achieves an Organizational Maturity Level at CMMI Level 3 in the CMMI Development Model.

TARGETS AND CALCULATIONS

The maturity level of an organization provides a way to characterize its capability and performance. Under the CMMI model, capability levels apply to an organization's performance and process improvement achievements in individual practice areas, and maturity levels represent a staged path for an organization's performance and process improvement efforts based on predefined sets of practice areas. Level 3 is categorized as 'Defined'. An organization at Capability Level 3 focuses on achieving both project and organizational performance objectives. An organization at Maturity Level 3 is proactive rather than reactive, with organization-wide standards providing guidance across projects, programs, and portfolios.

The goal is to implement CMMI processes throughout the IT Organization to ensure they become institutionalized.

The Practice Areas that are required to be rated at Level 3 for CMMI Maturity Level 3 - Development View are listed in Table 1.

IT-1 and IT-2 in the 2022 OSA Performance Metrics required reaching CMMI Maturity Level 3 in the Doing and Managing categories. IT-01 in the 2023 Metrics covered two additional categories, Enabling and Improving, as well as remaining gaps, if any, to achieve Level 3 in the Doing and Managing categories, with CMMI Level 3 to be adopted per the following schedule:

- All projects initiated on or after September 1st, 2022, will follow CMMI Level 3 processes in the Doing and Managing categories.
- All projects initiated on or after May 1st, 2023, will follow CMMI Level 3 processes in all categories.
- Projects that are in-flight on May 1st, 2023, will follow CMMI Level 3 processes in all categories starting May 1st, 2023; but will not be required to retrofit deliverables/artifacts completed before May 1st, 2023.

A CMMI Benchmark Appraisal (Development View) of the PSEG Long Island IT Organization will be conducted by a LIPA consultant and will conclude no later than 2024 Q2 to assess PSEG Long Island's IT organizational maturity level.

Planning for the conduct of the Benchmark appraisal shall be compliant with:

- the most current CMMI baseline,
- the most current baseline of the CMMI MDD (Method Definition Document), and

LIPA 2024 Proposed Performance Metrics

IT-01: IT Organizational Maturity

- all applicable CMMI Quality Policies that are published by ISACA at the time of the planning, conducting, and reporting of the benchmark appraisal.

All projects shall be made available for inclusion in the Benchmark appraisal, except as specified in the Exclusions section.

Targets:

- The PSEG Long Island IT Organization is determined to be at Maturity Level 3 via a CMMI Benchmark Appraisal to be conducted by a LIPA-selected consultant in 2024 Q2, in accordance with all requirements and specifications in this metric.
- PSEG Long Island fully supports and cooperates with the planning, conduct, and reporting of the appraisal, including making all requested personnel and contractors available and providing all requested artifacts, information, and data, in a timely manner.

Execute all identified deliverables in the metric on or before their respective timelines.

EXCLUSIONS

- Projects and project phases completed before July 15, 2022, are fully exempt.
- Projects and project phases that were completed before September 1, 2022, are exempt from following CMMI Level 3 processes in the Managing and Doing categories unless they were included in the 2022 CMMI implementation pilot. For projects included in the pilot, project phases in-flight on or completed before July 15, 2022, are exempt.
- Projects and project phases that were completed before May 1, 2023, are exempt from following CMMI Level 3 processes in the Enabling and Improving categories.
- Projects that were in-flight on May 1, 2023, are exempt from following CMMI Level 3 processes in the Enabling and Improving categories for: (i) deliverables/artifacts completed before May 1st, 2023; and (ii) deliverables/artifacts/phases that were granted LIPA exemptions because the associated task was substantially complete on May 1, 2023, significant re-work was required to adopt the new processes, and no significant negative impact to the end-state and success of the project was expected from exempting the in-progress task.

DELIVERABLES

Deliverable Name	Target Due Date
PSEG Long Island IT organization determined to be at Maturity Level 3 in the CMMI Development Model via a CMMI Benchmark Appraisal to be conducted by a LIPA consultant in 2024 Q2, in accordance with all requirements and specifications in this metric.	Issuance of LIPA Appraisers final report
PSEG Long Island has fully supported and cooperated with the planning, conduct, and reporting of the appraisal, including making all requested personnel available and providing all requested artifacts, information and data, in a timely manner.	Issuance of LIPA Appraisers final report

LIPA 2024 Proposed Performance Metrics

IT-01: IT Organizational Maturity

Table 1: CMMI V2 Maturity Level 3 - Development View

Category	Capability Area	Practice Area
Doing	Engineering and Developing Products	Product Integration
Doing	Engineering and Developing Products	Technical Solution
Doing	Ensuring Quality	Peer Reviews
Doing	Ensuring Quality	Process Quality Assurance
Doing	Ensuring Quality	Requirements Development and Maintenance
Doing	Ensuring Quality	Verification and Validation
Doing	Selecting and Managing Suppliers	Supplier Agreement Management
Managing	Managing Business Resilience	Risk Management
Managing	Managing the Workforce	Organizational Training
Managing	Planning and Managing Work	Estimating
Managing	Planning and Managing Work	Monitor and Control
Managing	Planning and Managing Work	Planning
Enabling	Supporting Implementation	Causal Analysis and Resolution
Enabling	Supporting Implementation	Configuration Management
Enabling	Supporting Implementation	Decision Analysis and Resolution
Improving	Improving Performance	Managing Performance and Measurement
Improving	Improving Performance	Process Asset Development
Improving	Improving Performance	Process Management
Improving	Sustaining Habit and Persistence	Governance
Improving	Sustaining Habit and Persistence	Implementation Infrastructure

Proposed 2024 Performance Metrics

IT-03: System Resiliency - Business Continuity Plans and Functional Drills

Board Policy: Information Technology and Cyber Security	Board PIPs: 5.02: ERP and BCP Training and Exercises, 5.04: Develop Rigorous BCPs
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr: Frank Savin
PSEGLI Director:	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 250000	

OBJECTIVE

Well-designed and robust IT System Resiliency Planning that includes Business Continuity Plans (BCPs) for critical business processes and their supporting IT systems/infrastructure, that are based on comprehensive Business Impact Analyses (BIAs); and are annually reviewed, updated, approved by LIPA, and successfully and thoroughly exercised for all critical business processes and their supporting critical systems. Plans should be developed and implemented using guidance from ISO 22301:2019, as applicable.

TARGETS AND CALCULATIONS

PSEG Long Island to fully participate in a resiliency program assessment, to be performed by a LIPA-engaged third-party Consultant and completed by April 15, 2024, to assess gaps and provide recommendations for developing a resiliency program that ensures that PSEG Long Island can continue to perform its essential functions and deliver core capabilities during and following disruptions to normal operations, including unplanned partial or complete loss of one or more critical systems and/or infrastructure.

The Consultant shall develop a recommended scope and framework for the resiliency program, including business and technical resiliency; assess the existing resiliency program and plans and provide a gap analysis and findings; provide recommendations for closing any identified gaps, with reasonable timelines for implementation; and develop a roadmap for maturing the resiliency program.

Additionally, the Consultant shall provide an achievable IT Systems Business Continuity Action Plan for 2024 targeted at having, by the end of the year, LIPA-approved BCPs that address the unplanned partial or complete loss of IT systems for five critical systems, providing clear and concrete direction for maintaining critical functions and processes in realistic disaster scenarios. The IT Systems Business Continuity Action Plan shall provide recommendations on the systems to be covered in 2024 and the actions required to achieve the target, considering the criticality of the impacted processes and functions, the impacts of any identified gaps, and the level of effort to close them. The IT Systems Business Continuity Action Plan shall recommend specific deliverables and due dates (mutually agreed upon by LIPA and PSEG Long Island) for 2024, which shall be adopted into this metric on LIPA acceptance of the plan.

Expected outcomes for 2024:

- BCPs for five critical systems and their associated critical business processes have been approved by LIPA. The BCPs provide clear and concrete direction for maintaining critical functions and processes in realistic disaster scenarios,

Proposed 2024 Performance Metrics

IT-03: System Resiliency - Business Continuity Plans and Functional Drills

including unplanned partial or complete loss of one or more critical systems and/or infrastructure.

- LIPA-approved BCPs have been successfully exercised for five critical systems and their associated critical business processes in accordance with LIPA-approved Exercise Design Documents.
- The BCPs and the design of the exercises will be in accordance with the recommendations of the IT Systems Business Continuity Action Plan for 2024, which will provide prioritized and achievable improvements over the current state.

Target:

PSEG Long Island to:

- (i) Fully support the assessment, including making all relevant PSEG Long Island personnel available as needed for interviews, meetings, etc. and providing all requested information and data in a timely manner.
- (ii) Implement the LIPA-approved IT Systems Business Continuity Action Plan for 2024, including submitting all specified 2024 deliverables by the specified due dates. Deliverables will be updated in the metric Smartsheet upon approval of the plan.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
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Proposed 2024 Performance Metrics

IT-03: System Resiliency - Business Continuity Plans and Functional Drills

PSEG Long Island fully participates in the assessment, including making relevant personnel available and providing requested information and data and access to relevant systems, in a timely manner.	2024-04-30
Deliverables per LIPA-approved IT Systems Business Continuity Action Plan for 2024	Per LIPA-approved IT Systems Business Continuity Action Plan for 2024

Proposed 2024 Performance Metrics

IT-04: System and Software Lifecycle Management

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh, Randy Rinon
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr: Maurice Johnson
PSEGLI Director: Irving Landesbaum	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 100000	

OBJECTIVE

All IT and OT assets managed by PSEG Long Island on behalf of LIPA, including but not limited to, computers, communications equipment, networking equipment, hardware, software, and storage systems, are within their active service life and under general support from the product vendor.

TARGETS AND CALCULATIONS

All IT and OT information assets, including but not limited to, computers, communications equipment, networking equipment, hardware, software, and storage systems, are assessed for end-of-life status and inventoried with information including, at a minimum, the purpose of the system, criticality, current deployed version, latest available version, when it was implemented, when it was last upgraded, end-of-life status, support status, known security risks, and any relevant supporting software/hardware constraints (for instance, a system that requires legacy hardware); with the inventory annually reviewed, updated, and LIPA-approved. The 2024 updated inventory is to be submitted for LIPA approval by February 28, 2024.

LIPA approved a 2-year Refresh Plan in 2023 to replace or upgrade end-of-life assets within two (2) years. The Refresh Plan is updated as needed to account for any relevant changes to the asset inventory or other conditions and extended to 2025. The Refresh Plan will include the support and security provisions for the assets until they are refreshed. In addition to the detailed asset refresh schedule listing, the updated 2-year Refresh Plan will incorporate (i) the work plan for 2024 including, at a minimum, the description and scope of each project to be worked on in 2024, and the timeline with the planned start and end dates for each project; and (ii) a listing of any changes made to the planned work for 2024 since the LIPA-approved 2023 Refresh Plan, including projects carried over from 2023, added, moved to a different year, or dropped. The 2024 updated plan is to be submitted for LIPA approval by March 31, 2024.

All planned work for 2024 in the LIPA-approved Refresh Plan is completed in accordance with the Refresh Plan; and all planned work for 2024 for any Life Cycle Planning (LCP) projects that are not in the 2024 Refresh Plan, but have approved budget for 2024, is completed in 2024.

PSEG Long Island to provide Quarterly Status Reports for the first three quarters of the year. PSEG Long Island to provide a Year-end Close-out Report including the scope delivered for each project, any scope dropped or deferred, and revised timelines/end dates for any projects not completed as planned. All four reports will cover all projects planned to be worked on in 2024, including projects identified in the 2024 Refresh Plan and LCP projects with approved budgets for 2024; they will be in a LIPA-approved format; and will be submitted by the specified due dates.

Proposed 2024 Performance Metrics

IT-04: System and Software Lifecycle Management

Targets:

- Full Incentive Compensation Target requires 100% of deliverables specified in this metric submitted by the specified due dates and subsequently accepted by LIPA.
- Minimum Baseline Target for receiving any compensation requires submission by the specified due dates and subsequent acceptance by LIPA of the 2-year Refresh Plan and the Close-out Report, and completion of at least 50% of the projects planned for 2024 in the 2024 LIPA-approved Refresh Plan.

Incentive will be awarded as follows:

- > 100% of allocated incentive compensation for meeting the Full Incentive Compensation Target specified above.
- > 90% of allocated incentive compensation for meeting the Minimum Baseline Target specified above and completing 100% of all projects planned for 2024 in the 2024 LIPA-approved Refresh Plan.
- > 50% of allocated incentive compensation for meeting the Minimum Baseline Target specified above and completing at least 50% of all projects planned for 2024 in the 2024 LIPA-approved Refresh Plan.
- > No incentive if Minimum Baseline Target specified above is not met.

Note: Multi-year projects that have planned work in 2024 will be considered complete for the purposes of incentive allocation if all 2024 scope specified in the LIPA-approved Refresh Plan is completed in 2024.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

Proposed 2024 Performance Metrics

IT-04: System and Software Lifecycle Management

DELIVERABLES

Deliverable Name	Target Due Date
Submit updated 2024 IT and OT asset inventory, as specified in this metric.	2024-02-28
Submit 2-year Refresh Plan, as specified in this metric, updated to account for any relevant changes to the approved 2023 inventory or other conditions, and extended to 2025.	2024-03-31
Quarterly Project Status Report for 2024 Q1	2024-04-10
Quarterly Project Status Report for 2024 Q2	2024-07-10
Quarterly Project Status Report for 2024 Q3	2024-10-10
All planned work for 2024 in the LIPA-approved Refresh Plan is completed in accordance with the plan.	2024-12-31
All planned work for 2024 for any Life Cycle Planning (LCP) projects that are not in the 2024 Refresh Plan, but have approved budget for 2024, is completed.	2024-12-31
Year-end Closeout Report, as specified in this metric.	2025-01-15

Proposed 2024 Performance Metrics

IT-05: Project Performance - In-flight Projects

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Randy Rinon
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr: Multiple
PSEGLI Director: Irving Landesbaum, Joseph Jacko, Larry Rocha, Lavanya Myneni	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 300000	

OBJECTIVE

IT Projects are conducted in a structured manner with strong and rigorous project planning, monitoring, and controls, as demonstrated by:

1. Project Implementation Plans (PIPs) in an acceptable format, approved by LIPA, for all in scope projects.
2. Monthly Reporting of Project Status by ten days after the close of each month. Monthly Project Status Reporting will be in a LIPA-approved format and will be required starting from the month the PIP is due and continuing through the month that final close-out reports and/or artifacts are accepted by LIPA.
3. Planned project work completed on time and budget.

TARGETS AND CALCULATIONS

This metric includes all in-flight 2023 Performance Metrics (IT-05 and IT-06) projects that have LIPA-approved PIPs and LIPA-approved work plans for 2024, with the Deliverables and Due Dates as specified in the LIPA-approved PIPs.

Any approved Exception Request for a 2023 IT-05 or IT-06 project that moves a Deliverable Due Date from 2023 to 2024 will automatically result in that Deliverable being incorporated into this metric and will move the associated project in-scope if previously out-of-scope. Additionally, any 2023 Deliverables for IT-05 or IT-06 projects that are not completed in 2023 will be automatically incorporated into this metric for remediation even if the Due Date is not officially adjusted through the Exception process.

The in-scope Projects and Deliverables listing will be compiled and updated through 2023 year-end closeout as the 2023 IT-05 and IT-06 projects complete PIP reviews and progress through execution, and the projects that meet the criterion for inclusion are determined. The final Deliverables and Due Dates for the metric will be as specified in the LIPA-approved PIPs for the projects, with any applicable adjustments resulting from the Exception Request process or as determined by LIPA for deliverables incorporated for remediation without new Due Dates having been approved through the Exception process.

All submitted deliverables shall be clear, comprehensive, and substantive; and consistent with relevant PMI PMBOK/IIBA BABOK standards.

Target:

100% of the in-scope projects meet the following targets:

Proposed 2024 Performance Metrics

IT-05: Project Performance - In-flight Projects

- 100% of the 2024 Deliverables specified in the LIPA-approved PIP or in this metric are submitted by the specified due date and subsequently accepted by LIPA.
- 100% of the planned 2024 work specified in the LIPA-approved PIP or in this metric is completed in 2024, and the final tasks/milestones for 2024 are completed on schedule (+/- 3 weeks) per the LIPA-approved Project Implementation Plan.
- Projects completed in 2024 satisfy the End State and Success Criteria detailed in the LIPA-approved PIP.

Incentive will be awarded as follows:

- 100% incentive for meeting the target for 100% of projects
- 80% incentive for meeting the target for 90% of projects, as long as the target is met for all in-scope cybersecurity projects
- 75% incentive for meeting the target for 75% of projects
- 50% incentive for meeting the target for 50% of projects
- No incentive if target is met for less than 50% of projects

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
2024 Deliverables from LIPA-approved PIPs for all in-scope projects	Per LIPA-approved PIPs

Proposed 2024 Performance Metrics

IT-06: Project Performance – New 2024 Projects

Board Policy: Information Technology and Cyber Security	Board PIPs: NA
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Randy Rinon
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr: Multiple
PSEGLI Director: Irving Landesbaum, Joseph Jacko, Larry Rocha, Lavanya Myneni	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 400000	

OBJECTIVE

IT Projects are conducted in a structured manner with strong and rigorous project planning, monitoring, and controls, as demonstrated by:

1. Project Implementation Plans (PIPs) in an acceptable format, approved by LIPA for all in-scope projects.
2. Monthly Reporting of Project Status by ten days after the close of each month. Monthly Project Status Reporting will be in a LIPA-approved format; and will be required starting from the month the PIP is due and continuing through the month that final close-out reports and/or artifacts are accepted by LIPA.
3. Planned project work completed on time and budget.

TARGETS AND CALCULATIONS

This metric includes all new IT Projects at or over \$1 million in Capital Budget project lifecycle costs that have approved 2024 Capital Budget, with exceptions as defined the Exclusions section. For the purposes of this metric, new Projects are projects that do not have LIPA-approved PIPs/work plans for 2024.

The in-scope project list will be compiled based on the finalized PSEG Long Island Capital Budget Request. All in-scope cybersecurity projects will be designated Essential, indicating that they are high-priority. LIPA may designate up to three additional in-scope projects as Essential. PSEG Long Island will organize the in-scope projects into two waves, where Wave 1 PIPs are due by 3/31/2024 and Wave 2 PIPs are due by 6/30/2024; and provide the wave composition to LIPA by 1/31/2024. All projects designated as Essential will be included in Wave 1, unless otherwise agreed to by LIPA.

The PIPs required for each project will utilize the LIPA-provided "Project Implementation Plan Template," and must provide substantive information including Project Objectives, End State and Success Criteria, Deliverables, Project Structure, Work Plan, Risk Management Plan, Issue Resolution Plan, LIPA Reporting Plan and Technical Execution Plan, as well as Project Financial Plan and Budget. The LIPA-approved PIPs will constitute the baseline against which project performance is measured.

All submitted deliverables shall be clear, comprehensive, and substantive; and consistent with relevant PMI PMBOK/IIBA BABOK standards. Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of PIP.

Target:

- 100% of in-scope projects have PIPs submitted by the specified due dates and subsequently approved by LIPA.

Proposed 2024 Performance Metrics

IT-06: Project Performance – New 2024 Projects

- 100% of the in-scope projects meet the following targets:
 - > 100% of the 2024 Deliverables specified in the LIPA-approved PIP or in this metric are submitted by the specified due date and subsequently accepted by LIPA.
 - > 100% of the planned 2024 work specified in the LIPA-approved PIP or in this metric is completed in 2024, and the final tasks/milestones for 2024 are completed on schedule (+/- 3 weeks) per the LIPA-approved PIP.
 - > Work planned for 2024 is completed within the Board-approved budget (+/- 10%).
 - > Projects completed in 2024 satisfy the End State and Success Criteria detailed in the LIPA-approved PIP.

Incentive will be awarded as follows:

- 100% incentive for meeting the target for 100% of projects
- 80% incentive for meeting the target for 90% of projects, as long as the target is met for all projects designated as Essential in the final in-scope projects list
- 75% incentive for meeting the target for 75% of projects
- 50% incentive for meeting the target for 50% of projects
- No incentive if target is met for less than 50% of projects

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Projects not listed in the final In-scope Projects list for this metric. While all new IT Projects (projects that have approved 2024 Capital Budget but do not have LIPA-approved PIPs/work plans for 2024) at or over \$1 million in Capital Budget project lifecycle costs are included by default in this metric, certain projects may be excluded by LIPA based on LIPA priorities. Projects that are covered under separate metrics will not be included in IT-06. LCP (Life Cycle Planning) projects will typically be considered under 'IT-04 System and Software Lifecycle Management' and thus excluded from

Proposed 2024 Performance Metrics

IT-06: Project Performance – New 2024 Projects

IT-06.

Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Submit Wave Composition for all projects included in the final in-scope projects list, with all projects included in either Wave 1 or Wave 2.	2024-01-31
Submit PIPs for all Wave 1 projects by the target due date, which is 3/31/2024 for Wave 1 PIPs, except where otherwise specified.	2024-03-31
Submit PIPs for all Wave 2 projects by the target due date, which is 6/30/2024 for Wave 2 PIPs, except where otherwise specified.	2024-06-30
2024 Deliverables from LIPA-approved PIPs for all in-scope projects and all Mandatory Deliverables specified in this metric.	As specified in this metric or LIPA-approved PIP

Proposed 2024 Performance Metrics

IT-07: System Segregation

Board Policy: Information Technology and Cyber Security	Board PIPs: 7.03; ITSM-01
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Randy Rinon
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr: Joseph Jacko, Theresa Derting
PSEGLI Director: David Lyons	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 900000	

OBJECTIVE

Separate LIPA IT systems from PSEG New Jersey systems.

TARGETS AND CALCULATIONS

This metric covers the second year of the LIPA Board-approved IT System Separation Plan.

PSEG Long Island to submit a Project Implementation Plan (PIP) for Implementation Bundle 4 for LIPA approval by March 31, 2024.

All planned scope and work for 2024 in the LIPA-approved Implementation Bundle 1, Implementation Bundle 2, Implementation Bundle 3, and Implementation Bundle 4 PIPs, and in any subsequent LIPA-approved detailed plans, will be completed in 2024 in accordance with the plans.

Metric deliverables will be modified to reflect 2024 PIP deliverables upon completion and LIPA approval of the relevant PIPs, including addition of detailed deliverables if needed and adjustment of deliverable due dates. In accordance with standard IT metric practices and procedures, if a detailed or revised plan or schedule is expected after System Integrator onboarding or other similar milestone, a deliverable may be included in the PIP for a revised PIP that will, on LIPA approval, supersede the previous LIPA-approved PIP, with metric deliverables adjusted to reflect the latest LIPA-approved PIP. Alternatively, the standard Metric Exception Request process may be followed for any changes after PIP approval.

Target:

100% of the 2024 Deliverables specified in the LIPA-approved PIPs for all Implementation Bundles are submitted by the specified due date and subsequently accepted by LIPA.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA

Proposed 2024 Performance Metrics

IT-07: System Segregation

believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Submit Implementation Bundle 4 PIP	2024-03-31
All Bundle 1 Implementations/Go-lives Completed	2024-06-30
Bundle 1 Close-out Report	2024-10-15
All 2024 Deliverables in the LIPA-approved Implementation Bundle 1 PIP	2024-10-15
All Bundle 2 Implementations/Go-lives Completed	2024-12-31
All 2024 Deliverables in the LIPA-approved Implementation Bundle 2 PIP	2024-12-31
All Bundle 3 Implementations Completed	2024-12-31
All 2024 Deliverables in the LIPA-approved Implementation Bundle 3 PIP	2024-12-31
All Bundle 4 Implementations Completed	Per LIPA-approved PIP
All 2024 Deliverables in the LIPA-approved Implementation Bundle 4 PIP	Per LIPA-approved PIP

Proposed 2024 Performance Metrics

IT-08: Cyber Security Organization - Implementation

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
PSEGLI Exec. Sponsor: John Kupcinski	PSEGLI Proj. Mgr: Elias Senter
PSEGLI Director: Wiliam Stroud	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 250000	

OBJECTIVE

Build a cyber security organization under the PSEG Long Island CISO that is independent of PSEG New Jersey, with services, staffing, and capabilities optimized to ensure that the cyber team is fully capable of developing, managing, and supporting the cyber security program and delivering on current and future requirements independent of Affiliate Services (as defined in the Second A&R OSA).

TARGETS AND CALCULATIONS

All planned scope and work for 2024 in the LIPA-approved Cyber Security Organization Project Implementation Plan (PIP), and in any subsequent LIPA-approved detailed plans developed pursuant to the PIP, will be completed in 2024 in accordance with the plans.

Metric deliverables will be modified with 2024 PIP deliverables upon completion and approval of PIP.

Targets:

PSEG Long Island to execute all 2024 Deliverables as specified in this metric by the specified due dates.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

Proposed 2024 Performance Metrics

IT-08: Cyber Security Organization - Implementation

“LIPA Approved format”, where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
All 2024 Deliverables from LIPA-approved Cyber Security Organization PIP	Per LIPA-approved PIP

Proposed 2024 Performance Metrics

IT-09: IT Planning - Ransomware Readiness and Response

Board Policy: Information Technology and Cyber Security	Board PIPs:
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh, Shonali Wadhwani
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr:
PSEGLI Director: Irving Landesbaum, John Kupcinski	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 200000	

OBJECTIVE

Development and Implementation of Ransomware Readiness and Response plans to ensure that any suspected or confirmed ransomware incidents are responded to in a consistent, controlled, and effective manner.

TARGETS AND CALCULATIONS

A. PSEG Long Island to fully participate in a Ransomware Readiness and Response current-state assessment, to be performed by a LIPA-engaged third-party Consultant and completed by April 15, 2024, to assess gaps and provide recommendations and an actionable roadmap for developing and implementing Ransomware Readiness and Response plans to ensure that any suspected or confirmed ransomware incidents are responded to in a consistent, controlled, and effective manner.

The Consultant shall develop a recommended scope and framework for Ransomware Readiness and Response; assess the current state of preparation and planning and provide a current-state assessment and findings, gap analysis, and recommendations for closing any identified gaps; and develop an actionable near-term Ransomware Readiness and Response Roadmap with reasonable timelines for achieving the Expected End State outcomes specified in this metric. The current state assessment will: (i) identify and document the current state for all critical systems/subsystems with respect to backups for ransomware recovery readiness, (ii) identify at a high level the current state, and the plans in conjunction with the NIST CSF project, for ransomware prevention and detection, (iii) identify and review existing processes, procedures, runbooks, plans, and similar artifacts in effect for ransomware response and recovery, and (iv) provide findings, gap analysis, and recommendations for closing any identified gaps.

The Roadmap will provide recommended actions for developing and implementing Ransomware Readiness and Response plans to ensure that any suspected or confirmed ransomware incidents are responded to in a consistent, controlled, and effective manner; including specific actions to achieve the Expected End State outcomes specified in this metric, with reasonable timelines for each action, considering PSEG Long Island input and operational resources.

B. PSEG Long Island to develop and submit for LIPA-approval a PIP to fully implement the Ransomware Readiness and Response Roadmap, in line with the recommended timelines in the roadmap.

C. All planned scope and work for 2024 in the LIPA-approved PIP will be completed in 2024.

Expected End State outcomes (after full implementation per LIPA-approved PIP):

(i) A written LIPA-approved Recovery Readiness Plan is in effect, providing detailed processes and procedures for regular data backups that are consistent with NIST/NCCOE Recommendations. Each of the priority systems/subsystems are

Proposed 2024 Performance Metrics

IT-09: IT Planning - Ransomware Readiness and Response

explicitly addressed.

(ii) All identified priority systems/subsystems are regularly backed up in accordance with the Recovery Readiness Plan. Backups may be conducted at system-specific or infrastructure levels, as long as all essential components of all priority systems/subsystems are fully covered. For SaaS systems, vendors have provided documentation on their current backup and restore processes, which has been analyzed for potential gaps under ransomware attack scenarios. Remediation plans from vendors have been requested/negotiated for any identified gaps, and all gaps have been either closed or addressed with contingency plans in the Ransomware Response and Recovery Plan.

(iii) Restoration of backups for priority systems/subsystems is tested annually. For SaaS systems, test requirements that demonstrate that uncontaminated data can be restored in case of contamination are documented for each system, and vendor provides written evidence/assurance that the requirements are met.

(iv) A written LIPA-approved Ransomware Response and Recovery Plan consistent with NIST/NCCOE Recommendations is in effect, addressing assessment and validation of attack vectors and level of breach, containment of breach; incident command and stakeholder communications; approach to business continuity, recovery, and resumption to normal; recovery of systems; and regular, periodic testing of the response from incident through resumption to normal for the entire organization.

(v) The Ransomware Response and Recovery Plan provides a Business Response Playbook/Runbook that delivers policies and procedures for plan activation, internal executive communication (including LIPA), external communication, coordination, business continuity until systems are restored/recovered, and procedures and process for resumption to normal including input of any manually captured data. The Business Response Playbook/Runbook can be similar to the Storm ERIP but more limited in scope.

(vi) The Ransomware Response and Recovery Plan provides a Technical Response Playbook/Runbook that provides step-by-step procedures that will guide validation and assessment, containment, data recovery, post-recovery data integrity assessment, and resumption of services. Procedures are detailed for priority systems and subsystems, and include communication and coordination with vendors for SaaS systems.

(vii) Thorough testing of the response is planned to be conducted annually.

Targets:

- PSEG Long Island has fully supported the assessment, including making all relevant PSEG Long Island personnel available as needed for interviews, meetings, etc. and providing all requested information and data in a timely manner.
- 100% of 2024 deliverables in the LIPA-approved PIP or in this metric are submitted by the specified due dates and subsequently accepted by LIPA.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations. PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and

Proposed 2024 Performance Metrics

IT-09: IT Planning - Ransomware Readiness and Response

resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

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EXCLUSIONS

Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Monthly progress reports and status briefing	Monthly
PSEG Long Island has fully supported the assessment, including making all relevant PSEG Long Island personnel available as needed for interviews, meetings, etc. and providing all requested information and data in a timely manner.	2024-04-15
PIP to implement the Ransomware Readiness and Response Roadmap	2024-05-31
All 2024 Deliverables in the LIPA-approved PIP	2024-12-31

Proposed 2024 Performance Metrics

IT-10: System Resiliency - Disaster Recovery Plans and Testing

Board Policy: Information Technology and Cyber Security	Board PIPs: 5.02: ERP and BCP Training and Exercises, 5.04: Develop Rigorous BCPs
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
PSEGLI Exec. Sponsor: Gregory Filipkowski	PSEGLI Proj. Mgr: Tikka Singh
PSEGLI Director: Irving Landesbaum	DPS Contact: John Goench
Allocated Compensation (2021 Dollars): 250000	

OBJECTIVE

Well-designed and robust IT System Resiliency Planning that includes Disaster Recovery Plans (DRPs) that are annually reviewed, updated, approved by LIPA, and successfully and thoroughly exercised, for all critical systems. Plans should be developed and implemented using guidance from ISO 22301:2019, as applicable.

TARGETS AND CALCULATIONS

PSEG Long Island to fully participate in a resiliency program assessment, to be performed by a LIPA-engaged third-party Consultant and completed by April 15, 2024, to assess gaps and provide recommendations for developing a resiliency program that ensures that PSEG Long Island can continue to perform its essential functions and deliver core capabilities during and following disruptions to normal operations, including unplanned partial or complete loss of one or more critical systems and/or infrastructure.

The Consultant shall develop a recommended scope and framework for the resiliency program, including business and technical resiliency; assess the existing resiliency program and plans and provide a gap analysis and findings; provide recommendations for closing any identified gaps, with reasonable timelines for implementation; and develop a roadmap for maturing the resiliency program.

Additionally, the Consultant shall provide an achievable Technology Resiliency Action Plan for 2024 targeted at having, by the end of the year, five critical systems exercised against LIPA-approved Disaster Recovery Plans that provide clear and concrete direction for recovery of the systems in realistic disaster scenarios. The Technology Resiliency Action Plan shall provide recommendations on the systems to be covered in 2024 and the actions required to achieve the target, considering the criticality of systems, the impacts of any identified gaps, and the level of effort to close them. The Technology Resiliency Action Plan shall recommend specific deliverables and due dates (mutually agreed upon by LIPA and PSEG Long Island) for 2024, which shall be adopted into this metric on LIPA acceptance of the plan.

Expected outcomes for 2024:

- DRPs for five critical systems have been approved by LIPA. The DRPs provide clear and concrete direction for recovery and restoration of the systems in realistic disaster scenarios, including unplanned partial or complete loss of one or more critical systems and/or infrastructure.
- LIPA-approved DRPs have been successfully exercised for five critical systems in accordance with LIPA-approved Test Plans.

Proposed 2024 Performance Metrics

IT-10: System Resiliency - Disaster Recovery Plans and Testing

- The DRPs and the design of the tests will be in accordance with the recommendations of the Technology Resiliency Action Plan for 2024, which will provide prioritized and achievable improvements over the current state.

Target:

PSEG Long Island to:

- (i) Fully support the assessment, including making all relevant PSEG Long Island personnel available as needed for interviews, meetings, etc. and providing all requested information and data in a timely manner.
- (ii) Implement the LIPA-approved Technology Resiliency Action Plan for 2024, including submitting all specified 2024 Deliverables by the specified due dates. Deliverables will be updated in the metric Smartsheet upon approval of the plan.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

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EXCLUSIONS

Schedule relief may be granted for delays i) directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
PSEG Long Island has fully participated in the assessment, including making relevant personnel available and providing requested information and data and access to relevant systems, in a timely manner.	2024-04-30
Deliverables per LIPA-approved Technology Resiliency Action Plan for 2024	Per LIPA-approved

Proposed 2024 Performance Metrics

IT-10: System Resiliency - Disaster Recovery Plans and Testing

	Technology Resiliency Action Plan for 2024
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Proposed 2024 Performance Metrics

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

Board Policy: Resource Planning and Clean Energy	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
PSEGLI Exec. Sponsor: paul.napoli@pseg.com	PSEGLI Proj. Mgr: Nicholas Culpepper
PSEGLI Director: lucyna.khazanovich@pseg.com	DPS Contact: mohammed.hasan@dps.ny.gov
Allocated Compensation (2021 Dollars): 100000	

OBJECTIVE

Complete follow-on studies for the IRP that are due in 2024.

TARGETS AND CALCULATIONS

PSEG Long Island is to complete the Scope of Work approved by LIPA in 2023 Performance Metric PS&CE-01 for the two follow-on activities for the 2023 IRP that carry over into 2024. These are the steam turbine deactivation study (Q1 2024 deliverable) and an assessment of optimal locations for energy storage (Q2 deliverable).

Compensation dollars associated with this metric will be spread equally between the steam turbine deactivation study and the assessment of optimal locations for energy storage.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

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EXCLUSIONS

Proposed 2024 Performance Metrics

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Submit Draft Steam Deactivation Study for LIPA comments.	2024-03-15
Steam Deactivation Study: Development of Solutions and Final Report	2023-04-12
Optimal Locations for Energy Storage: Review Steam Deactivation Study and update optimal storage locations as needed.	2024-06-28

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

IRP Follow Up Assessment Energy Storage Needs Locational Evaluation- Scope of Work

The 2022 Integrated Resource Plan (IRP) recommended action plan included the addition of energy storage resources that aligns with LIPA's load ratio share of the 6,000 MW by year 2030 statewide goal. An IRP follow up assessment is required to identify at a high level the energy storage locations and sizes that will meet the transmission planning reliability criteria and provide an economic benefit to Long Island customers. This assessment is considered as a preliminary list of potential storage locations and sizes and not supported by any one standalone study.

Study Model Development

The assessment will utilize the production cost simulation from GE MAPS to evaluate the optimal location for Energy Storage addition. The evaluation will take into consideration:

- Potential IRP retirement Timeline based on studies done to date
- LIPA's load ratio share (LRS) of storage goal from CLCPA mandate
 - 339 MW of existing and planned energy storage (10 MW East End and 329 MW Energy Storage RFP)
 - 411 MW of incremental energy storage to be evaluated with 4 hour duration
- High level feasibility feedback from Engineering with respect to availability of required terminals for interconnection. This assessment will not evaluate the feasibility of siting and constructing Energy Storage.
- Repurposing the existing point of interconnections from the retired/planned retired fossil generation in order to enable energy storage interconnection
- Potential points of interconnection introduced by the awarded PPTN project for LIPA facilities
- Review points of interconnection based on known system constraints
- Load forecast based on the 2023 NYISO Gold Book

The evaluation will focus on Year 2030 with the following generation assumptions.

Proposed 2024 Performance Metrics

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

The assessment will consider the following resource retirement schedule:

Year	Resource
2025	Shoreham GT 1
2025	Shoreham GT 2
2025	Glenwood GT 1
2025	Glenwood GT 3
2025	West Babylon
2026	Port Jefferson Steam 3*
2026	Barrett Steam 2*
2026	NYPA Flynn
2027	Port Jefferson Steam 4*
2028	Barrett Steam 1*
2028	East Hampton Diesels**
2028	East Hampton GT**
2028	Southampton GT**
2028	Southold GT**
2030	Greenport GT**

*Placeholder for Steam Retirement, subject to change with the final Steam Retirement Plan.

**Placeholder for East End Retirement, subject to change with the final East End Retirement Plan.

The assessment will consider the following resource addition schedule:

Year	Substation	Nameplate (MW)	Resource Type
2023	East Hampton 69kV	130	OSW
2024	Edwards Ave 138kV	36	PV
2025	North Street 138kV ¹ (Tap between Brookhaven to Sills Rd 138kV)	150	BESS
2026	Holbrook 138kV	924	OSW
2026	Kings 138kV	79	BESS
2026	Shoreham 138kV	50	BESS
2026	Brookhaven 138kV	50 + 100	BESS
2026	West Babylon 69kV	50	BESS
2028	Barrett/Liotta 138kV	1260	OSW

¹ The North Street 150MW BESS will be considered as a merchant unit and will not be included in the LIPA LSR goal.

Proposed 2024 Performance Metrics

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

The assessment will assume the identified transmission build-out associated with the retirement assumptions along with the latest results of NYISO class year studies and the results of PPTN selection. The latest available system update at the start of the assessment will be incorporated in the system modeling data.

It should be noted that Long Island OSW PPTN projects are expected to significantly change LIPA's system topology. Therefore, additional potential points of interconnection for LIPA facilities introduced by the awarded PPTN project will be considered in the evaluation.

Identification of Optimal Locations for Energy Storage

The report will include a list of recommended points of interconnection for 4 hour energy storage with maximum injection ratings (MW) based on economic benefit. The study shall document the optimal location for energy storage based on load flow charging and discharging capabilities, and high level feasibility for interconnecting energy storage project.

Final Deliverables

End of Q3, 2023	Study Model Development Completed
End of Q4, 2023	Identification of optimal locations for energy storage
End of Q4, 2023	Development of Final Report
End of Q2, 2024	Review Steam Deactivation System Study and update locations as needed

**Delay in LI PPTN award information will delay the timing of the deliverables.*

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

IRP Follow Up Study

Steady State Analysis – Steam Deactivation

Scope of Work

The 2022 Integrated Resource Plan (IRP) recommended retirement of steam generation resources on Long Island. As a result of this recommendation, further study is being performed to identify reliability/operational deficiencies and potential solutions (battery storage, energy efficiency, and/or transmission) in the LIPA system with retirement of up to 800 MW of existing Steam generation on Long Island by year 2028. This study will focus on year 2032, to identify impacts to the T&D Ten Year Plan.

Study Model Development

The following basecases will be developed (from the 2022 T&D Ten Year Plan basecases) for load flow study purposes to identify any reliability deficiencies:

- Case #1 – 2032 LICA Summer Peak System Coincident² = 5164 MW
- Case #2 – 2032 LICA Summer 90/10 Extreme Weather System Coincident = 5467 MW
- Case #3 – 2032 LICA System Light Load

Additional cases will be developed during the study process as needed. Based on specific steam retirement scenarios, additional cases for applicable load pocket will be created as applicable.

² Placeholder value, The 2023 NYISO Gold Book forecast will be utilized once it is available.

Proposed 2024 Performance Metrics

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

The study cases will consider the following resource retirement schedule:

Year	Resource
2025	Shoreham GT 1
2025	Shoreham GT 2
2025	Glenwood GT 1
2025	Glenwood GT 3
2025	West Babylon
2026	NYPA Flynn
2026-28	Steam Retirements Placeholder*
2028	East Hampton Diesels**
2028	East Hampton GT**
2028	Southampton GT**
2028	Southold GT**
2030	Greenport GT**

**To be determined – Maximum of 3 scenarios will be assessed.*

***Placeholder for East End Retirement, subject to change with the final East End Retirement Plan.*

The study cases will consider the following resource addition schedule:

Year	Substation	Nameplate (MW)	Resource Type
2023	East Hampton 69kV	130	OSW
2024	Edwards Ave 138kV	36	PV
2025	North Street 138kV (Tap between Brookhaven to Sills Rd 138kV)	150	BESS
2026	Holbrook 138kV	924	OSW
2026	Kings 138kV	79	BESS
2026	Shoreham 138kV	50	BESS
2026	Brookhaven 138kV	50 + 100	BESS
2026	West Babylon 69kV	50	BESS
2028	Barrett/Liotta 138kV	1260	OSW

In addition, for OSW, PV, and BESS resources, the resources will be modeled as % of nameplate output for the differing seasonal conditions:

Season	% of Nameplate Output		
	OSW	PV	BESS
Summer Peak	3%	35%	0%
Extreme Weather	3%	35%	0%
Light Load	100%	46%	0%

Proposed 2024 Performance Metrics

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

The study cases will consider the following firm transmission project schedule:

Year	Project
2023	New 33kV Circuit 2AR-Arverne to 2H-Far Rockaway
2023	New 69kV Brooklyn Ave substation
2023	Pilgrim 69kV Bus Reconfiguration Project
2023	Terryville to Flowerfield New 69kV Circuit
2024	New 33kV Circuit 2G-Rockaway Beach to 2AR-Arverne

In addition, the following non-firm transmission projects will also be modeled*:

Year	Project
2025	33 to 69 kV conversion at Belmont Substation
2025	East of Buell 23kV to 33kV Conversion
2028	Bridgehampton to Buell New 69kV Circuit
2028	Canal to Deerfield Double Circuit Reconfiguration
2028	Southampton to Deerfield New 138kV Circuit (69kV operated)
2028	New 69 kV Moriches Series Reactor
2032	Deerfield to Bridgehampton New 138kV Circuit (69kV operated)

**The project list and respective in-service date is subject to change based on the latest studies.*

The study will assume the identified transmission build-out associated with the retirement assumptions along with the latest results of NYISO class year studies and the results of PPTN selection. The latest available system update at the start of the study will be incorporated in the system modeling data.

It should be noted that Long Island OSW PPTN projects are expected to have a major impact on the LIPA system. Currently the expected PPTN buildout is not known and the study will model the selected PPTN proposal once it is available.

Identification of Reliability Needs

As applicable, thermal and voltage load flow analysis will be performed to identify any reliability violation being driven by the generator retirements. The analyses will report on relevant violations in the Long Island transmission system based on engineering judgement. The system analyses will be subject to N-0, N-1 and N-1-1 thermal & voltage testing consistent with the PSEG Long Island Transmission Planning Criteria.

This part of the study will identify and document:

- Transmission facilities that are not meeting reliability criteria
- Contingencies resulting in violation
- The System Load Level at which the violation occurs
- The year at which the violation occurs

Proposed 2024 Performance Metrics

PS&CE-01: Complete Integrated Resource Plan (IRP) Follow-on Activities

- DFAX output reports for limiting monitored/contingency pairs to provide insight on potential locations for future resource siting.

It should be noted that additional reliability needs beyond those identified might arise beyond the study period of 2032.

Identification of Operational Concerns

The study report will document any operational concerns as reported by Transmission Operations to bring visibility to any operational risks not captured through the normal planning process. Some operational concerns fall outside of Transmission Planning criteria and do not innately require a solution.

Development of Solutions

After identification of reliability needs, solutions will be developed to resolve any reliability needs. Solutions can consist of transmission reinforcements, addition of resources, or a combination thereof.

Transmission reinforcement solutions will be subject to typical planning processes where consideration will be given to feasibility, constructability, timelines, external affair impact, economic viability, long term appropriateness, and engineering judgement.

Resource solutions will be guided by DFAX outputs, understanding of location feasibility, and Resource Planning input. Solutions to be considered will include limited energy storage (identify required duration), and or energy efficiency load reduction program.

Solutions will be tested in the developed study models to confirm that they resolve the violations for long-term planning horizon, through 2040 as applicable.

The study report will document the final developed solution portfolios and associated cost estimates.

Final Deliverables

End of Q3	Study Model Development Completed
End of Q4	Identification of Reliability Needs & Identification of Operational Concerns
2024 Q1	Development of Solutions & Final Report

**Delay in LI PPTN award information will delay the timing of the deliverables.*

Proposed 2024 Performance Metrics

PS&CE-03: Energy Efficiency Plan Savings

Board Policy: Resource Planning and Clean Energy	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Michael Voltz
PSEGLI Director: Michael Voltz	DPS Contact: Ed Wilkowski
Allocated Compensation (2021 Dollars): 350000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
1,055,000	1,214,935	1,091,000	1,266,176	1,147,670	1,224,185	900,730

OBJECTIVE

Achieve the Energy Efficiency Plan Targeted Savings, including any LIPA and DPS recommended changes to the savings target in alignment with achieving the Clean Energy goals.

TARGETS AND CALCULATIONS

Achieve 762,509 MMBTU (the Utility 2.0) energy efficiency target based on an assessment by an independent evaluator hired by LIPA to verify savings from the programs identified in the 2024 EEDR Plan (Table A-1), as modified by any LIPA and DPS recommendations, by December 31, 2024. A minimum of 35% spent on disadvantaged communities as defined by the Climate Justice working group and aligned with CLCPA requirements. Programs will not be arbitrarily shut down once the goal is achieved and any changes in rebate/incentive amounts will be discussed with LIPA and DPS prior to execution, including the rationale for the change.

Calculation and methodological changes identified and reported by the 2023 independent verifying party report, as well as LIPA and DPS changes noted prior to finalizing the budget and metric will be applied against 2024 performance.

The ex-post verified actual realization rate savings by program (actual energy efficiency savings / PSEG Long Island claimed energy efficiency savings) will not be less than 95%. Any efficiency program savings resulted in an ex-post verified actual realization rate of less than 95% or more than 105% of metric reported savings will be adjusted to actual results for that program. Below are some examples of the adjustments based on implementing the realization rate:

- Claimed savings for the Residential Energy Assistance Program are 5,000 MMBTU and the ex-post analysis calculated an actual realization rate of 80%. The total reported savings would be reduced by 1000 MMBTU (5,000 - (5,000 x 80%).

- Claimed savings for the Energy Efficient Product Program are 20,000 MMBTU and the ex-post analysis calculated an actual realization rate of 115%. The total reported savings would be increased by 3000 MMBTU ((20,000 x 115%) - 20,000).

Proposed 2024 Performance Metrics

PS&CE-03: Energy Efficiency Plan Savings

-Claimed savings for the Home Comfort program are 8,000 MMBTU and the ex-post analysis calculated an actual realization rate of 98%. The total reported savings would not be adjusted.

PSEG Long Island will provide access to all required data monthly and system access to independently verify the MMBtu savings achieved from 2024 EE Plan activities. The LIPA verification will be used to determine if the goal was achieved.

PSEG Long Island will submit monthly Tier 1, Tier 2, and TRC KPI report which includes measures and cost and meet with LIPA to present results. PSEG Long Island will demonstrate that the NYSERDA disadvantage community reporting is being performed and that the associated metric scorecard is in compliance with the reporting guidelines.

Incentive to be allocated as follows:

- (1) 100 percent compensation is awarded for achieving both the energy efficiency target and DAC spending targets or
- (2) 50 percent for only achieving one of the two targets.

Execute all identified deliverables in the metric on or before their respective timelines. All submitted deliverables shall be clear, comprehensive, and substantive. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld.

EXCLUSIONS

Calculation and methodological changes subsequently identified and reported by the 2024 independent verifying party will not be applied retroactively against 2024 performance, unless they were submitted as part of the LIPA or DPS recommendations prior to January 1, 2024 and such changes were incorporated into the approved budget and goals or exceed the +/- 5% realization threshold noted above.

DELIVERABLES

Deliverable Name	Target Due Date
PSEG Long Island submits their calculation of the target based on the LIPA and DPS recommendations.	2024-01-31
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Report 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

PS&CE-05: Beneficial Electrification – Building Electrification

Board Policy: Resource Planning and Clean Energy	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Dan Zaweski
PSEGLI Director: Michael Voltz	DPS Contact: Ed Wilkowski
Allocated Compensation (2021 Dollars): 350000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
N/A	N/A	N/A	N/A	N/A	N/A	N/A

OBJECTIVE

Achieve the Beneficial Electrification targets from the Utility 2.0 filing, including any LIPA and DPS recommended changes to the targets in alignment with the LIPA portion of the 2 million home clean energy goals for whole home electrification and home electrification ready.

TARGETS AND CALCULATIONS

Achieve all the following implementation targets by December 31, 2024:

1. Pay rebates for a total of 3,600 single-family and multi-family housing units served by whole house heat pump systems in incentive programs. The heat pump system must be the primary heating source (minimum 90% heating load) to qualify as an electrified home under the statewide million homes initiative. Housing Units target identified may be modified to be commensurate with the LIPA approved energy efficiency budget and plan.
2. Meet the metric minimum of 35% of the heat pump rebate and incentive budget on disadvantaged/low-income customers, or those located in DAC communities.

PSEG Long Island submit monthly Tier 1, Tier 2, and TRC KPI report which includes measures and cost, and meet with LIPA to present results.

Incentive to be allocated as follows:

- 100% if both unit targets are met or
- 50% if only one unit target is met

EXCLUSIONS

Proposed 2024 Performance Metrics

PS&CE-05: Beneficial Electrification – Building Electrification

None

DELIVERABLES

Deliverable Name	Target Due Date
PSEG Long Island submits their calculation of the target based on the LIPA and DPS recommendations and final approved budget.	2023-12-31
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Report 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

PS&CE-08: Transition to New "Standard" Time of Day Residential Rates on an Opt-Out Basis

Board Policy: Resource Planning and Clean Energy, "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Gregory Filipkowski, Louis Debrino	PSEGLI Proj. Mgr: Brian Kurtz
PSEGLI Director: Lavanya Myneni, Michael Voltz	DPS Contact: Sean Walters
Allocated Compensation (2021 Dollars): 400000	

OBJECTIVE

Implement transition to a standard Time-of-Day (TOD) rate for all residential customers as defined in the LIPA-approved Project Implementation Plan.

TARGETS AND CALCULATIONS

The following 2024 Residential TOD metric deliverables and timeline are in accordance with the June 28, 2023, LIPA-approved TOD PIP. The 2024 metric timeline from the approved PIP will be revised in late 2023 due to 2023 project delays. Deliverable dates including release go-lives and migration group conversions provided in this metric will no longer be valid and replaced with a new, LIPA-approved deliverable schedule and migration plan details for 2024.

Satisfy all requirements in the metric deliverables by the agreed-upon dates and as defined in the LIPA-approved Residential TOD Project Implementation Plan (PIP). The parties may reasonably agree to different interim deadlines (+/- 3 weeks), provided the schedule changes do not affect the established go-live dates including completion of Release 3 by January 30, 2024, and established migration conversion dates including conversion of Migration Groups 1-5, as defined in the LIPA-approved PIP, to the TOD rate by December 31, 2024.

Allocated compensation would be:

- 80% of the incentive compensation allocated to this metric for successful completion of all interim deliverables and release go lives per the agreed upon dates; and
- 20% of the incentive compensation allocated to this metric for successful completion of the Migration Groups 1-5. Successful migration to include but not be limited to issuance of pre-conversion notifications in the target month and post conversion nurture material as defined in the LIPA-approved Marketing and Communications Plan, conversion on the assigned month and cycle date, and issuance of the first bill post migration within 3 business days of the next billing cycle for 98.0% of customers, and 100% of these bills issued within 5 business days.

Project success will include high-quality deliverables that are clear, comprehensive, include supporting details, and are consistent with CMMI best practices for the following document (including document updates if necessary):

- > Project Implementation Plan
- > Operational readiness/impact assessment documentation
- > Business processes/procedures documentation

Proposed 2024 Performance Metrics

PS&CE-08: Transition to New "Standard" Time of Day Residential Rates on an Opt-Out Basis

- > Training plan
- > Communication plan
- > Marketing plan
- > Business requirements
- > Technical requirements
- > Requirements traceability matrix including test cases
- > Test results with evidence
- > Go live checklists
- > Project close out memo including lessons learned

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island or (iii) LIPA directed program changes required as a result of the postproduction needs assessment report that causes a delay in migrations after the 2024 summer pause.

Deliverables that are agreed to be completed in 2023 that were and moved to 2024 will be added. Deliverables in 2025 will be removed from the 2024 metric.

DELIVERABLES

Proposed 2024 Performance Metrics

PS&CE-08: Transition to New "Standard" Time of Day Residential Rates on an Opt-Out Basis

Deliverable Name	Target Due Date
Provide revised 2024 migration plan details and metric deliverable schedule (to also include deliverables related to rate comparison modelling for future rate) as approved by LIPA in 2023. Update the metric deliverables and due dates in Smartsheet to reflect the LIPA-approved revised schedule.	2024-01-02
New or moved residential customers defaulting to standard TOD rates	As approved in revised schedule
Release 3: Provide business processes and procedures	As approved in revised schedule
Provide plan to capture customer feedback post conversion	As approved in revised schedule
Release 3: Provide UAT, performance and penetration testing results with evidence	As approved in revised schedule
Release 3: Provide go-live checklist	As approved in revised schedule
Release 3: Provide cutover plan	As approved in revised schedule
Release 3: Inform LIPA of go-live decision and submit completed go-live checklist that supports the decision	As approved in revised schedule
Release 3: Go-live	As approved in revised schedule
CI&HEM 1: Submit evidence of baseline Home Energy Reports (HER) available for customers	As approved in revised schedule
Begin converting eligible Group 1 customers to TOD rate	As approved in revised schedule
Release 3: Provide post go-live validation report containing business validation evidence capture and documentation	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - January	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - February	As approved in revised schedule
Begin customer education campaign	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - March	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - March	As approved in revised schedule
Begin converting eligible Group 2 customers to TOD rate	As approved in revised schedule

Proposed 2024 Performance Metrics

PS&CE-08: Transition to New "Standard" Time of Day Residential Rates on an Opt-Out Basis

Provide implementation progress report, program progress report & bill guarantee revenue impact report - April	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - April	As approved in revised schedule
CI&HEM 2: Submit evidence of including Time-of-Day content in HERs and related alerts for TOD customers	As approved in revised schedule
Submit post production needs assessment	As approved in revised schedule
Update the TOD 2023 PIP and associated workplan to include scope of Release 4 implementation based on post production needs assessment. Update Smartsheets for metric deliverables and due dates for Release 4 implementation	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - May	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - May	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - June	As approved in revised schedule
Release TBD: Rate comparison modelling future inclusion updates - Go Live	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - June	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - July	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - July	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - August	As approved in revised schedule
Release 4: Provide business and system requirements	As approved in revised schedule
Release 4: Provide technical requirements	As approved in revised schedule
Release 4: Provide test management plan	As approved in revised schedule
Release 4: Provide solution design document	As approved in revised schedule
Release 4: Provide Requirements Traceability Matrix	As approved in revised schedule
Release 4: Provide SIT/system, UAT, performance and penetration test case scenarios and detailed scripts	As approved in revised schedule

Proposed 2024 Performance Metrics

PS&CE-08: Transition to New "Standard" Time of Day Residential Rates on an Opt-Out Basis

Release 4: Provide SIT/system, UAT, performance and penetration test results with evidence	As approved in revised schedule
Release 4: Provide updated business processes/procedures	As approved in revised schedule
Release 4: Provide go-live checklist template	As approved in revised schedule
Release 4: Submit cutover plan	As approved in revised schedule
Release 4: Inform LIPA of go-live decision and submit completed go-live checklist that supports decision.	As approved in revised schedule
Release 4: Go Live	As approved in revised schedule
Release 4: Submit post go-live validation report	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - August	As approved in revised schedule
Begin converting eligible Group 3 customers to TOD rate	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - September	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - September	As approved in revised schedule
Begin converting eligible Group 4 customers to TOD rate	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - October	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - October	As approved in revised schedule
Begin converting eligible Group 5 customers to TOD rate	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - November	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - November	As approved in revised schedule
Provide implementation progress report, program progress report & bill guarantee revenue impact report - December	As approved in revised schedule
Provide migration/post-migration customer research summary and detail - December	As approved in revised schedule

LIPA 2024 Proposed Performance Metrics

PS&CE-13: Heat Pump Strategy to Address Barriers to Customer Adoption

Board Policy: Resource Planning and Clean Energy	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Dan Zaweski
PSEGLI Director: Mike Voltz	DPS Contact: Ed Wilkowski
Allocated Compensation (2021 Dollars): 400000	

OBJECTIVE

Implement programmatic changes to address barriers to customer heat pump adoption as part of the multi-year heat pump strategy.

TARGETS AND CALCULATIONS

Meeting all identified requirements with high-quality deliverables and deliver by established due dates, including those contained in the PIP.

1. Outreach and Engagement plan (2024 engagement and implementation expansion action plan and LMI engagement plan)
 - a. Execute the LIPA approved 2024 engagement and implementation expansion action plan from the 12/15/23 approved deliverable in the Supply Chain Development PIP. Deliverables to be added by 1/10/24.
 - b. Execute the LIPA approved LMI heat pump engagement plan from the 12/15/23 approved deliverable in the Supply Chain Development PIP. Deliverables to be added by 1/10/24.
 - c. Provide input into the LIPA proposed single family financing plan for LMI customers. Feedback to include operational opportunities, risks, resource needs, marketing and outreach approach.
 - d. Prepare all materials and plans to operationalize final financing plan for inclusion in 2025 budget submission and Utility 2.0 plan.
 - e. Demonstrate that PSEG Long Island chosen individual customer targeting tool results that are statistically significant or a minimum of 33% improvement in customer response over control general media marketing. For example, opening an email is not deemed as positive or clear customer response of interest, but click through shows interest. For example, if 3% of the people respond to general media marketing, the 33% target would be 4.0% of the individuals in the targeted outreach. If targeted results are not achieved by 6/15/24, PSEG Long Island will continually monitor marketing channel performance and identify opportunities for optimization every month of the campaign. PSEG Long Island will modify its approach to clearly test individual targeting. Performance success will be measured at 12/15/24 for demonstrating the statistically significant or minimum 33% difference.
 - f. Demonstrate execution of the 2023 approved Customer Outreach and Marketing Plan (COMP) (see 2023 Metric #PS&CE-13) for all items not completed in 2023 and deliver a 2024 COMP plan to build on 2023 lessons learned and objectives, as well as integration plans with KEDLI on Residential weatherization and Long Island Clean Energy Hub on outreach. COMP plan deliverables to be added to metric once approved.
 - g. By January 15, 2024, promulgate revised tools and incentives for contractors and by April 1, 2024, provide a list of qualified air-to-water heat pumps and addition of this equipment to heat pump incentive.

LIPA 2024 Proposed Performance Metrics

PS&CE-13: Heat Pump Strategy to Address Barriers to Customer Adoption

- h. Promulgate and promote 2 additional heat pump case studies each quarter throughout 2024 on PSEG Long Island website, shared with LI Clean Energy Hub, and incorporated in mass media and COMP plan.
 - i. Document and implement risk mitigation plans to avoid heat pump sizing issues for low-income customer, including any integration with weatherization.
2. Execute program review and design related to Supply Chain Development PIP.
- a. Complete 2024 all approved 2023 program design deliverables not completed in 2023 for contractor network.
 - b. Execute and report on the LIPA-approved proposed plan for coordination with NYSEERDA about training program design and resources, per the 11/17/23 deliverable. Update Smartsheet with deliverables.
 - c. Straw dog deliverable of a midstream program, distributor and contractor discussions, and Con Ed meetings referenced in the 2023 Supply Chain Management PIP. If the LIPA approved 12/1/23 midstream recommendation is not to proceed, the alternative solution will be recommended in the document, and the associated straw dog for the program change is required.
 - d. Implement LIPA-approved long-term electronic payment solution for high-volume contractors.
 - e. Develop program revision recommendations to reduce contractor and customer process steps by 4/1/2024. Within this Program Revision to Reduce Contractor and Customer Friction document, PSEG Long Island shall incorporate the following points into their heat pump program redesign:
 - Input from its discussions with contractors, distributors, and manufacturers.
 - Possible full or partial upfront payment via distributors (semi-midstream).
 - Recommended options to reduce or eliminate paperwork payment to contractors / reduce process friction for contractors and customers.
 - Options to coordinate and integrate with other New York utility Heat Pump offerings.
 - f. Investigate best practice reports, filings, or observations within the state of New York relative to the heat pump incentive structure.
3. Execute a low-temperature water contractor recruitment initiative for air-to-water heat pump installations.
- a. Outreach to contractors for low-temperature heating and cooling systems, including boiler installers, plumbers, and solar installers, and market incentive extension to AWHP technology to these new segments and all existing QIV contractors. (AWHP technology webinar included in Supply Chain Management PIP 2/23/2024)
 - b. Facilitate training execution of existing and new contractors on technology, incentives, and implementation for low-temperature heating and cooling systems.
 - c. Promulgate at least one AWHP case study for low-temperature heating and cooling systems based on contractor submissions as set forth in existing Contractor PIP.
4. Develop a detailed 2024-2025 plan to achieve the Long Island portion of NYSEERDA BEEM model projections + gap support (BEEM+) for supporting New York Beneficial Electrification Heat pump goals for 2024-2030. The plan will be broken down into a defined segment: Single-family existing (Market & Low to Moderate Income (LMI)), Multifamily existing (Market & LMI), Single-family new construction (Market & LMI), and Multifamily new construction (Market & LMI).
- Include the 2025 budget forecast to reach such goals by segment and overall.

LIPA 2024 Proposed Performance Metrics

PS&CE-13: Heat Pump Strategy to Address Barriers to Customer Adoption

- Identify forecasted housing units by segment for program based on the 2023 metric. improvements and gaps to the BEEM+ target.
- Identify new approaches and initiatives that may be necessary to attain the overall BEEM goals for each of the defined segments.
- Describe how the program revisions identified will achieve projected heat pump deployment.
- Execute in accordance with the plan.

PSEG Long Island will submit a project status report to LIPA on a monthly basis and review of metric performance at least quarterly, or more frequently as requested by LIPA.

CALCULATION: Each project delivers the expected outcome on target.

1. 4 out of 4 = 100% payout of allocated incentive compensation
2. 3 out of 4 = 50% payout of allocated incentive compensation

Projects that meet or exceed the expected outcome / KPIs defined in the PIP/plan will be considered successfully completed.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for
i) delays directed or requested by LIPA or

LIPA 2024 Proposed Performance Metrics

PS&CE-13: Heat Pump Strategy to Address Barriers to Customer Adoption

- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island or
- iii) Receipt of the draft financing plan from LIPA after February 15, 2024 or
- iv) Demonstrated scheduling challenges with NYSERDA

DELIVERABLES

Deliverable Name	Target Due Date
OUTREACH AND ENGAGEMENT PLAN	
Update Smartsheet with the 2024 Engagement and implementation expansion action plan and LMI engagement plan as defined per the LIPA approved deliverable in the Supply Chain Development PIP (a)	2024-01-10
Demonstrate promulgation of revised tools incentive for contractors and list of qualified air-to-water heat pumps and addition of this equipment to heat pump incentive (g)	2024-01-15
All incomplete 2023 COMP plan deliverables to be added to 2024 deliverables (f)	2024-01-15
Provide low income heat pump sizing risk mitigation plan, including the focus on integration with weatherization (i)	2024-01-31
Customer Outreach and Marketing Plan for segment-specific targeted outreach and marketing. Scope of plan to build on the 2023 COMP plan with incorporation of lesson learned and new opportunities identified. Update Smartsheet to include the LIPA-approved COMP metric deliverables and due dates.(f)	2024-02-10
Demonstrate implementation of the LMI engagement plan items, excluding financing opportunity (b)	2024-03-15
PSEG Long Island to provide inputs to LIPA-Proposed financing plan (c)	14 days after receipt of the draft financing plan
PSEG Long Island to develop draft work plan to operationalize the final financing plan and associated budget (c)	45 days after receipt of the final financing plan
Promulgate and promote 2 additional heat pump case studies (h)	2024-04-30
PSEG Long Island to develop final work plan to operationalize the final financing plan and associated budget (d)	2024-06-15
Provide supporting information demonstrating the individual customer target results improvement. If less than 33% improvement, include the modified approach to clearly test individual targeting. (e)	2024-06-15
Promulgate and promote 2 additional heat pump case studies (h)	2024-07-31
Promulgate and promote 2 additional heat pump case studies (h)	2024-10-31
Deliverable(s) for execution of the COMP (f)	As approved in final COMP

LIPA 2024 Proposed Performance Metrics

PS&CE-13: Heat Pump Strategy to Address Barriers to Customer Adoption

Performance success will be measured at 12-15.24 for demonstrating the minimum percentage difference (e)	2024-12-15
EXECUTE PROGRAM REVIEW AND DESIGN - SUPPLY CHAIN	
Update Smartsheet to add deliverables and due dates for any 2023 program stream lining and design schedule for completion in 2023 that were not completed in the Supply Chain Development PIP (a)	2024-01-10
Update Smartsheet to add deliverables and due dates for LIPA approved proposed plan for coordination with NYSERDA about training program design and resources, per the 11/17/23 deliverable (b)	2024-01-10
Straw dog deliverable of a midstream program distributor and contractor discussions and Con Ed meetings referenced in 2023 Supply Chain Management PIP or LIPA-approved alternative (c)	2024-03-01
Implement LIPA approved long term electronic payment solution for high volume contractors (d)	2024-03-31
Implement propose program revisions recommendations that will reduce contractor and customer process (e)	2024-04-01
Provide installer training program results (b)	2024-12-31
AIR-TO-WATER HEAT PUMP	
Contractor PIP 2023 deliverables not completed in 2023 to be added.	2024-01-15
Demonstrate implementation of Air to Water Heat Pump Incentives Launch as stated in 2023 Contractor PIP deliverables	2024-04-01
Provide quarterly training to existing and new contractor for low temperature heating and cooling system (b)	2024-04-15
Provide quarterly training to existing and new contractor for low temperature heating and cooling system (b)	2014-07-15
Provide quarterly training to existing and new contractor for low temperature heating and cooling system (b)	2024-10-15
Execute a low-temperature water contractor recruitment initiative for air-to-water heat pumps installations (a)	2024-12-01
Promulgate at least one AWHP case study for low temperature heating and cooling systems based off of contractor submissions as set forth in existing Contractor PIP (c)	2024-08-15
NYSERDA BEEM	
Develop a detailed 2024-2025 plan to achieve the LI portion of NYSERDA BEEM model projections + gap support (BEEM+) for supporting New York Beneficial Electrification Heat pump goals for 2024-2030. The plan will be broken down into a defined segment: Single-family existing (Market & LMI), Multifamily existing (Market & LMI), Single-family new construction (Market & LMI), and Multifamily new construction (Market & LMI). Update the metric deliverables in Smartsheet to include the LIPA-approved deliverables and due dates identified in the plan.	2024-07-01
New initiatives deployment (Single family existing Market)	As approved in the detailed 2024-2025 plan
New initiatives deployment (Single family existing LMI)	As approved in the detailed 2024-2025 plan

LIPA 2024 Proposed Performance Metrics

PS&CE-13: Heat Pump Strategy to Address Barriers to Customer Adoption

New initiatives deployment (Multifamily existing Market)	As approved in the detailed 2024-2025 plan
New initiatives deployment (Multifamily existing LMI)	As approved in the detailed 2024-2025 plan
New initiatives deployment (Single family new construction Market)	As approved in the detailed 2024-2025 plan
New initiatives deployment (Single family new construction LMI)	As approved in the detailed 2024-2025 plan
New initiatives deployment (Multifamily new construction Market)	As approved in the detailed 2024-2025 plan
New initiatives deployment (Multifamily new construction LMI)	As approved in the detailed 2024-2025 plan
STATUS REPORTING	
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - January	2024-02-12
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - February	2024-03-12
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - March	2024-04-10
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - April	2024-05-10
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - May	2024-06-12
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - June	2024-07-11
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - July	2024-08-12
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - August	2024-09-12
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - September	2024-10-10
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - October	2024-11-13
Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - November	2024-12-11

LIPA 2024 Proposed Performance Metrics

PS&CE-13: Heat Pump Strategy to Address Barriers to Customer Adoption

Provide monthly project status report versus the work plan, including KPI as defined in the 2023 Supply Chain Development plan - December	2025-01-13
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LIPA 2024 Proposed Performance Metrics

PS&CE-14: Transportation Electrification Strategic Initiatives

Board Policy: Resource Planning and Clean Energy	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Carolyn MacKool
PSEGLI Exec. Sponsor: Louis Debrino	PSEGLI Proj. Mgr: Paul Dibenedetto
PSEGLI Director: Michael Voltz	DPS Contact: Ed Wilkowski
Allocated Compensation (2021 Dollars): 400000	

OBJECTIVE

Implement programmatic changes to address barriers to customer transportation electrification as part of the multi-year strategy.

TARGETS AND CALCULATIONS

Meet all identified requirements with high-quality deliverables and deliver by established due dates, including those contained in the Project Implementation Plan (PIP), which deliverables shall be added to the metric deliverables.

1. Transportation Electrification PIP - Pursue a Transportation Electrification PIP that helps to promote electric vehicle adoption on Long Island in support of the NY Climate Act goals. It will look at best practices set forth in the June 2020 Smart Electric Power Alliance (SEPA) Utility Best Practices for EV Infrastructure Deployment that focuses on:
 - a. Customer Engagement
 - b. Building a Utility Transportation Electrification Team
 - c. Disadvantaged Communities, Low-Income and Underserved Customers, and EV Equity

PSEG Long Island will perform the following:

- Compare PSEG Long Island's current practices to the best practices that were identified for the focus areas above from the June 2020 Smart Electric Power Alliance (SEPA) Utility Best Practices for EV Infrastructure Deployment. If PSEG Long Island determines that its current practices are best suited to remain in place for any of the focus areas above, subject to LIPA approval, which will not be unreasonably withheld, such practices may remain in place.
- Develop a plan to institute changes that bring PSEG Long Island into compliance with these best practices including submission in the 2024 Utility 2.0 plan
- Implement changes based upon agreed upon PIP schedule and subject to existing budgetary requirements or approved budget amendment requests.
- Review outcomes of the proposed changes to see if they resulted in the expected outcomes (i.e., increased program uptake, more chargers installed, higher interest from customers, etc.)
- In instances where outcomes are not as expected, institute further revisions that lead to desired outcome

The PIP will result in establishing a foundation for the transportation electrification plan and a project work plan targeted, which will be agreed upon by July 1, 2024, and will serve as the basis for the remainder of 2024 required work as identified in the PIP and the 2024 Utility 2.0 Filing, which focuses on 2025 – 2030 for electric vehicles. DPS will be included in the review sessions to discuss the PIP. The PIP will be in the LIPA-approved format, LIPA Deliverable Expectations, which include:

LIPA 2024 Proposed Performance Metrics

PS&CE-14: Transportation Electrification Strategic Initiatives

1. Project Definition

1.1. Project Purpose, Objectives, and Success Criteria

2. Project Deliverables

2.1. Assumptions, Dependencies, and Constraints

3. Project Structure

3.1. Internal Project Organization

3.2. Other Stakeholders

4. Project Plan

4.1. Project Work Plan

4.2. Audience

4.3. Messaging

4.4. Tasks

4.5. Marketing Channels

4.6. Evaluation

4.7. Risk Management Plan

4.8. Issue Resolution Plan

4.9. LIPA Reporting Plan

5. Timeline

6. Budget

2. Fleet Round Table - Host two (2) events (virtual or in-person) with fleet operators and developers situated within LIPA's service territory to discuss:

- Potential challenges they may face with fleet electrification
- Available resources and programs such as the Fleet Make Ready Program & Fleet Advisory Services.
- Collect feedback on the Fleet Make Ready Program & Fleet Advisory Services
- How to get started and understand how PSEG Long Island can help

Fleet operators include those that operate three (3) or more vehicles operated by a non-residential entity with a meter on a commercial tariff, consisting of any vehicle-type or weight class. Developers include those that install electric vehicle supply equipment (EVSE) or work with fleet operators with the installation of EVSE. Feedback from this group could provide insight into how to shape the Transportation Electrification Plan and therefore the plan will take this feedback into consideration.

3. EV Make Ready Program Round Table - Host two (2) events (virtual or in-person) with developers and commercial customers situated within LIPA service territory to discuss:

- Potential challenges they may face with deploying Electric Vehicle Supply Equipment (EVSE)

LIPA 2024 Proposed Performance Metrics

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- Available resources and programs such as the EV Make Ready Program
- Collect feedback on the EV Make Ready Program
- How to get started and understand how PSEG Long Island can help

Developers include those that install EVSE or work with commercial customers with the installation of EVSE. Commercial customers are those with a meter on a commercial tariff that currently own or interested in owning EVSE on their property. Feedback from this group will provide insight into how to shape the Transportation Electrification Plan and therefore the plan will take this feedback into consideration.

Variable Compensation will be allocated as follows for elements that meet the above criteria:

1. Transportation Electrification Project Implementation Plan – 60%
2. Fleet Round Table – 20%
3. EV Make Ready Program Round Table – 20%

Projects that meet or exceed the expected outcome defined in the PIP will be considered successfully completed.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for i) delays directed or requested by LIPA or ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

LIPA 2024 Proposed Performance Metrics

PS&CE-14: Transportation Electrification Strategic Initiatives

DELIVERABLES

Deliverable Name	Target Due Date
TRANSPORTATION ELECTRIFICATION PROJECT IMPLEMENTATION PLAN	
Project Definition and initial outline for Project Deliverables, and Project Structure. Hold review session with LIPA and DPS to discuss progress-to-date on Transportation Electrification PIP	1 week prior to Stage Gate 1
Project Definition, Project Deliverables and Project Structure with LIPA and DPS feedback incorporated, along with initial outline for Project Plan, and Timeline, excluding Budget. Hold review session with LIPA to discuss progress-to-date on Transportation Electrification PIP	1 week prior to Stage Gate 2
Provide a first draft of the Project Implementation Plan (PIP) for Transportation Electrification	2024-04-11
Provide a second draft PIP updated with LIPA feedback incorporated. Hold review session with LIPA and DPS to discuss progress-to-date on Transportation Electrification PIP	1 week prior to Stage Gate 3
Submit Project Implementation Plan (PIP) for Transportation Electrification for final review by LIPA	2024-06-06
Receive final LIPA feedback on Transportation Electrification PIP	2024-06-14
Final Project Implementation Plan (PIP) for Transportation Electrification	2024-07-01
Provide monthly program implementation report and transportations statistics - July	2024-07-08
Provide monthly program implementation report and transportations statistics - Aug	2024-08-08
Provide monthly program implementation report and transportations statistics - Sept	2024-09-09
Provide monthly program implementation report and transportations statistics - Oct	2024-10-08
Provide monthly program implementation report and transportations statistics - Nov	2024-11-08
Provide monthly program implementation report and transportations statistics - Dec	2024-12-09
FLEET ROUND TABLE	
Host 1st round table with at least a total of 10 fleet operators and developers and provide round table summary and results report	2024-02-28
Host 2nd round table with at least a total of 10 different fleet operators and developers than 1st round table and provide round table summary and results report	2024-10-31
EV MAKE READY PROGRAM ROUND TABLE	
Host 1st round table with at least 10 Developers and at least 10 Commercial Customers and provide round table summary and results report	2024-03-31
Host 2nd round table with at least 10 Developers and at least 10 Commercial Customers that are different than the first round table and provide round table summary and results report	2024-11-30

LIPA 2024 Proposed Performance Metrics

PS&CE-14: Transportation Electrification Strategic Initiatives

Attachment to: PS&CE-14 LIPA Deliverable Expectations

1. *Project Definition*

- 1.1. **Project Purpose, Objectives, and Success Criteria** - Provide an overview of each project's motivation, objectives and success criteria.

2. *Project Deliverables*

- 2.1. **Assumptions, Dependencies, and Constraints** – Outline all assumptions, dependencies and any constraints or any doubt regarding the validity of the project assumptions.

3. *Project Structure*

- 3.1. **Internal Project Organization** – (1) Identify the Transportation Electrification organization (2) Leveraging internal other departments within the utility and (3) define roles and responsibilities.
- 3.2. **Other Stakeholders** – Identify other internal and external stakeholders who are not specifically members of the Transportation Electrification group.

4. *Project Plan*

- 4.1. **Project Work Plan** – Indicate how each task will be accomplished, audience, messaging, tasks, and the deliverables associated with each task
- 4.2. **Audience** – Provide a breakdown of targeted customer segments by program, and other stakeholders
- 4.3. **Messaging** – (1) List the customer segments that will be targeted; (2) Outline the specific message that will be communicated to all customer segments, and (3) the call to action (CTA) for each customer segment
- 4.4. **Tasks** – Task development is in progress and each task will prioritize the customer experience with the goal of installing more chargers. Tasks will include but not be limited to: commercial and residential customer journey mapping, contractor outreach program, website updates, internal EV program training of employees and cross-functional departments, development of stakeholder partnerships (dealerships, trade organizations, nonprofits, etc.), customer round tables, and data capturing (charging installations, EV purchases, etc.).
- 4.5. **Marketing Channels** – Identify the marketing channels that will be used for overall marketing, education, and outreach, as well as segment specific customer engagement, including:
 - Expansion of effective in-person EV event engagement and online webinars
 - Improvement of the online presence through enhancements determined by the customer journey,

LIPA 2024 Proposed Performance Metrics

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including updating the customer-facing website

- 4.6. **Evaluation** – List all evaluation metrics to measure performance for each program and any marketing campaigns
- 4.7. **Risk Management Plan** – Provide a plan that outlines how PSEGLI will mediate any potential project delays, or missed milestones.
 - For delays outside of PSEGLI’s control, the Transportation Electrification team will notify LIPA prior to the milestone or deadline due date.
- 4.8. **Issue Resolution Plan** – For any issues or delays that arise for each of the programs, describe the steps that will be taken to resolve them, including how LIPA will be engaged.
- 4.9. **LIPA Reporting Plan** – Describe who and how frequently LIPA will be updated
5. **Timeline** – Create a Gantt chart timeline by task that lists the start and end dates along with each deliverable with its due date
6. **Budget** – List the costs associated with the deliverable for each task and provide supporting documentation

Proposed 2024 Performance Metrics

T&D-01: Asset Management Program Implementation – Asset Inventory

Board Policy: Asset Management	Board PIPs: AM-1: Asset Management Framework, AM-2: Asset Management Inventory
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Peter Mladinich
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Joseph Cicalo, Robert Bradley, Wayne Baldassare
PSEGLI Director: John Mccumiskey	DPS Contact: Sean Walters
Allocated Compensation (2021 Dollars): 500000	

OBJECTIVE

To implement an effective Enterprise Asset Management (EAM) Program consistent with both the ISO 55000 principles and the Asset Management Recommendations adopted by the LIPA Board of Trustees (AM-1 and AM-2).

TARGETS AND CALCULATIONS

PSEG Long Island to provide LIPA with quarterly updates on the data collection effort. LIPA to verify via an audit, the field survey completion and GIS record accuracy of the Outside Plant (OSP) T&D assets in 2024.

For 100% of the allocated incentive compensation, PSEG Long Island is to have collected a minimum of 65.0% of the total OSP T&D assets and successfully field verified and updated in EGIS by December 31, 2024, with at least 98.0% accuracy.

100% of all deliverables delivered by the specified date in the deliverables section.

Reports shall be in a LIPA-approved format and shall be reviewed in a meeting between LIPA, PSEG Long Island, and DPS.

“LIPA-approved format”, where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for delays

- i) directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Submit 1st Quarter status report of Asset Inventory collected and uploaded to EGIS by April 15, 2024.	2024-04-15

Proposed 2024 Performance Metrics

T&D-01: Asset Management Program Implementation – Asset Inventory

Submit 2nd Quarter status report of Asset Inventory collected and uploaded to EGIS by July 15, 2024.	2024-07-15
Submit 3rd Quarter status report of Asset Inventory collected and uploaded to EGIS by October 15, 2024.	2024-10-15
Capture the desired asset attributes for each asset class as established in Recommendation No. AM-2. QA/QC the new asset data, and timely update validated asset information in EGIS.	2024-12-31
Submit 4th Quarter status report of Asset Inventory collected and uploaded to EGIS by January 15, 2025.	2025-01-15

Proposed 2024 Performance Metrics

T&D-06: Primary Transmission Control Center (PTCC) Replacement

Board Policy: Transmission & Distribution Operations	Board PIPs: RE-02: PTCC and ATCC Strategy
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Christopher Pezzino
PSEGLI Director: Paul Simmons	DPS Contact: Qin Shi
Allocated Compensation (2021 Dollars): 300000	

OBJECTIVE

Execute the project implementation plan containing the key milestones for the construction of the Primary Transmission Control Center (PTCC).

TARGETS AND CALCULATIONS

Execute all identified and mutually agreed upon 2024 deliverables from the multi-year PTCC PIP approved in 2023 on or before their respective timeframes. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be reasonably coherent, error free, well structured, consistent with all deliverable requirements, and aligned with achieving the metric objectives.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA-approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for delays

- i) directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

Proposed 2024 Performance Metrics

T&D-06: Primary Transmission Control Center (PTCC) Replacement

DELIVERABLES

Deliverable Name	Target Due Date
Information Technology (IT) / Operational Technology (OT) implementation design	2024-01-15
Preliminary detailed architectural and engineering design and construction estimate	2024-02-16
Final Video Wall and solution architecture design	2024-03-31
Final construction level Architectural & Engineering (A&E) design and construction estimate	2024-05-03
Issue RFP for Construction Services	2024-05-03
External Affairs Final Scorecard and Outreach Plan	2024-06-03
Obtain Permits and Variances (if necessary)	2024-06-14
Contract Award for Construction Services	2024-07-15
Construction Project Work Plan for 2024-2026	2024-07-15
Commence Construction of New PTCC	2024-07-29

Proposed 2024 Performance Metrics

T&D-07: System Average Interruption Duration Index (SAIDI) Reliability

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Wayne Baldassare
PSEGLI Director: John Mccumiskey	DPS Contact: Justin Koebele, Qin Shi
Allocated Compensation (2021 Dollars): 375000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
59	66	59	54.7	59	56	57.5

OBJECTIVE

Continuous improvement of SAIDI (System Average Interruption Duration Index) reflecting ongoing significant investments to programs and projects that will improve T&D system performance.

TARGETS AND CALCULATIONS

Total duration of sustained interruption (≥ 5 minutes) for the average customer during each Contract Year, computed in accordance with IEEE Standard 1366, Section 4.2.2.

$SAIDI = \Sigma(ri * Ni) / NT$ – (measured in minutes); where:

Σ = Summation function.

ri = Restoration time, minutes.

Ni = Total number of customers interrupted 5 minutes or more.

NT = Total number of customers served (fixed at beginning of the Contract Year).

Target:

1. For 65% of the allocated incentive compensation, achieve a SAIDI of ≤ 57.0 minutes.
2. For 100% of the allocated incentive compensation, achieve a SAIDI of ≤ 56.5 minutes.

Rounding protocols allow for a performance of below 57.55 (65% target level) and 56.55 (100% target level) minutes, respectively, to be rounded down to successfully meet each target.

EXCLUSIONS

Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.

DELIVERABLES

Proposed 2024 Performance Metrics

T&D-07: System Average Interruption Duration Index (SAIDI) Reliability

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for SAIDI 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

T&D-08: System Average Interruption Frequency Index (SAIFI) Reliability

Board Policy: Transmission & Distribution Operations	Board PIPs: NA
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Wayne Baldassare
PSEGLI Director: John Mccumiskey	DPS Contact: Justin Koebele, Qin Shi
Allocated Compensation (2021 Dollars): 350000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
0.76	0.8	0.76	0.68	0.76	0.68	0.7

OBJECTIVE

Continuous improvement of SAIFI (System Average Interruption Frequency Index) reflecting ongoing significant investments to programs and projects that will improve T&D system performance.

TARGETS AND CALCULATIONS

Frequency of sustained interruption (≥ 5 minutes) within a Contract Year, computed in accordance with IEEE Standard 1366, Section 4.2.1.

$SAIFI = \Sigma(N_i) / NT$; where:

Σ = Summation function.

N_i = Total number of customers interrupted 5 minutes or more.

NT = Total number of customers served (fixed at beginning of the Contract Year).

Target:

1. For 65% of the allocated incentive compensation, achieve a SAIFI of ≤ 0.69
2. For 100% of the allocated incentive compensation, achieve a SAIFI of ≤ 0.67

Rounding protocols allow for a performance of below 0.695 (65% target level) and 0.675 (100% target level), respectively, to be rounded down to successfully meet each target.

EXCLUSIONS

Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.

DELIVERABLES

Proposed 2024 Performance Metrics

T&D-08: System Average Interruption Frequency Index (SAIFI) Reliability

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for SAIFI 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

T&D-09: Momentary Average Interruption Frequency Index (MAIFI) Reliability

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Wayne Baldassare
PSEGLI Director: John Mccumiskey	DPS Contact: Justin Koebele, Qin Shi
Allocated Compensation (2021 Dollars): 275000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
2.56	2.14	2.56	1.78	1.89	1.67	1.7

OBJECTIVE

Continuous improvement of MAIFI (Momentary Average Interruption Frequency Index) reflecting ongoing significant investments to programs and projects that will improve T&D system performance.

TARGETS AND CALCULATIONS

Frequency of momentary interruptions (less than 5 minutes) within a Contract Year, computed in accordance with IEEE Standard 1366, Section 4.2.1.

$MAIFI = \Sigma(N_i) / NT$; where:

Σ = Summation function.

N_i = Total number of customers interrupted less than 5 minutes.

NT = Total number of customers served (fixed at beginning of the Contract Year).

Target: Achieve a MAIFI of ≤ 1.50

Rounding protocols will allow for a performance of below 1.505 to be rounded down to successfully meet the target of 1.50.

EXCLUSIONS

Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.

DELIVERABLES

Deliverable Name	Target Due Date
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Proposed 2024 Performance Metrics

T&D-09: Momentary Average Interruption Frequency Index (MAIFI) Reliability

Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for MAIFI 2) Any additional supporting documentation as required	Monthly
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LIPA 2024 Proposed Performance Metrics

T&D-10: Reduce Sustained Multiple Customer Outages (S-MCOs)

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Wayne Baldassare
PSEGLI Director: John Mccumiskey	DPS Contact: Justin Koebele, Qin Shi
Allocated Compensation (2021 Dollars): 275000	

OBJECTIVE

Improve performance for customers with the worst interruption experience, as measured by Sustained Multiple Customer Outages ("S-MCO" or "S-MCOs"), by continuing to improve overall system performance.

TARGETS AND CALCULATIONS

Provide a level of reliability for each customer that is within a reasonable variance from the system average conditions.

The metric measures the number of customers that have experienced the following levels of S-MCOs (outages greater than or equal to 5 minutes in duration) over a rolling 12-month period, as of December 31, 2024:

- A) A level of ≥ 6 S-MCOs
- B) A level of ≥ 8 S-MCOs
- C) A level of ≥ 10 S-MCOs
- D) A level of ≥ 12 S-MCOs

The S-MCO metric is stated in number of customers.

Computed in accordance with IEEE Standard 1366, Section 4.2.1.

Targets: Achieve an S-MCO performance, as of December 31, 2024:

- A) Equal to $\leq 2,275$ customers with ≥ 6 S-MCOs
- B) Equal to ≤ 375 customers with ≥ 8 S-MCOs
- C) Equal to ≤ 50 customers with ≥ 10 S-MCOs
- D) Equal to 0 customers with ≥ 12 S-MCOs

- Successfully achieving 1 of the 4 criteria = 25% of the allocated incentive compensation.
- Successfully achieving 2 of the 4 criteria = 50% of the allocated incentive compensation.
- Successfully achieving 3 of the 4 criteria = 75% of the allocated incentive compensation.
- Successfully achieving 4 of the 4 criteria = 100% of the allocated incentive compensation.

An alternate path to achieving 100% of the allocated incentive compensation can be accomplished if BOTH of the following conditions are met, as of December 31, 2024:

LIPA 2024 Proposed Performance Metrics

T&D-10: Reduce Sustained Multiple Customer Outages (S-MCOs)

1. Successfully achieving a level of $\leq 2,000$ customers with ≥ 6 S-MCOs; and
2. Successfully achieving a level of 0 customers with ≥ 10 S-MCOs.

EXCLUSIONS

Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.

Exclusion for planned intentional interruptions taken to affect improvements to system associated with these customers to improve reliability.

Outages shall be counted at an incident level due to forced outage restoration multistep recording as with predominantly underground areas.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for S-MCOs. 2) Any additional supporting documentation as required.	Monthly

Proposed 2024 Performance Metrics

T&D-12: Reduce Momentary Multiple Customer Outages (M-MCOs)

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Wayne Baldassare
PSEGLI Director: John Mccumiskey	DPS Contact: Justin Koebele, Qin Shi
Allocated Compensation (2021 Dollars): 275000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	109273	NA	73677	92500	72198	76300

OBJECTIVE

Improve performance for customers with the worst interruption experience, as measured by Momentary Multiple Customer Outages ("M-MCO" or "M-MCOs"), by continuing to improve overall system performance.

TARGETS AND CALCULATIONS

Provide a level of reliability for each customer that is within a reasonable variance from the system average conditions.

The metric measures the number of customers that have experienced 6 or more momentary interruptions (< 5 minutes in duration) over a rolling 12-month period.

M-MCO = Total count of customers experiencing 6 or more interruptions of < 5 minutes in the last 12 months.

The M-MCO metric is stated in number of customers.

Computed in accordance with IEEE Standard 1366, Section 4.2.1.

Targets: Achieve an M-MCO performance, as of December 31, 2024, that is <= 54,000 customers.

Reports shall be in a LIPA-approved format and shall be reviewed in a meeting between LIPA and PSEG Long Island.

EXCLUSIONS

Excludes only Major Storms as defined by NY Department of Public Service and NYCRR 97.1.

DELIVERABLES

Proposed 2024 Performance Metrics

T&D-12: Reduce Momentary Multiple Customer Outages (M-MCOs)

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for M-MCOs (6 or More). 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

T&D-13: Safety – Serious Injury Incident Rate (SIIR)

Board Policy: Safety	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Margaret Keane	PSEGLI Proj. Mgr: Theodore Kern
PSEGLI Director: Gregory Player	DPS Contact: Sean Walters, Umar Sultan
Allocated Compensation (2021 Dollars): 450000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	NA	NA	NA	0.11	0.03	0

OBJECTIVE

To safely maintain, construct, and operate the Electric T&D system without risk of serious injuries and/or fatalities.

TARGETS AND CALCULATIONS

The prevention of fatalities and serious life altering injuries to a contractor employee or a PSEG Long Island employee associated with the operation, construction and/or maintenance of the Long Island Electric T&D System that are within the control of the contractor/employee (i.e. PSEG Long Island employee or contractor employee) in performance of their duties and/or the employer.

Life altering injuries include the following:

- Amputation (loss of all or part of a bodily appendage, which includes the loss of bone).
- Concussion.
- Crushing (internal, even though skin surface may be intact).
- Fracture (simple or compound), excluding any hairline fractures.
- 2nd (10% body surface) or 3rd degree burns.
- Lacerations resulting in severed tendons and/or a deep wound requiring internal sutures.

Injuries will be reported timely, using the PSEG Long Island Incident Alert process and internal guidelines for reporting and recording safety events, no later than seven (7) days from notification to PSEG Long Island of an event as required by the OSHA recordkeeping rule.

Serious Injury Incidence Rate (SIIR) for the calendar year of the OSA Contract.

The Serious Injury Incidence Rate (SIIR) is calculated using the formula (# cases x 200,000/exposure hours), where exposure hours equal the total of PSEG Long Island employee and contractor hours worked.

Target: A Serious Injury Incidence Rate (SIIR) of 0.00. Any qualifying life altering serious injury or fatality that occurs to an

Proposed 2024 Performance Metrics

T&D-13: Safety – Serious Injury Incident Rate (SIIR)

employee or contractor working on the system would constitute an automatic failure of this metric. All incidents that meet the criteria will be reviewed with LIPA.

EXCLUSIONS

LIPA will review qualifying incidents on a case-by-case basis and at their discretion, grant exclusions for up to two non-life-altering injuries (e.g., simple fractures and other milder injuries) that occur during the Contract Year.

This metric excludes all non-work-related events consistent with the OSHA exceptions for nonrecordable cases, i.e. [https://www.osha.gov/laws-regs/interlinking/standards/1904.5\(b\)\(2\)](https://www.osha.gov/laws-regs/interlinking/standards/1904.5(b)(2)).

Examples include:

- Injuries that occur on company property or while the worker is engaged in a work activity but would have occurred at the same time and at the same level of severity even if the employee was not engaged in a work activity (epileptic seizure, diabetic seizure, heart attacks, sudden joint failure, etc.).
- Injuries that are related to commuting to or from a place of employment outside of work hours.
- Injuries that result solely from normal body movements unrelated to work (sneezing, coughing, bending over to tie a shoe, walking, etc.).
- Injuries that result solely from personal tasks performed outside of assigned work hours (retrieving ice for personal use, holding community meeting at employer premises, etc.).
- Injuries that occur in a travel hotel unrelated to work.
- Injuries that occur where the employee is present at the site as a member of the general public, unrelated to his or her employment status.
- Injuries that result from voluntary participation in wellness, medical, or fitness programs, or recreational activity (teambuilding events).
- Injuries where symptoms surface at work from a known non-work-related event or exposure (yard work, sporting events, etc.).
- Injuries that result from eating/drinking or preparing food/drink for personal consumption (food/drink not provided by employer).
- Injuries that result from personal grooming, self-medication for a non-work-related condition, or intentionally self-inflicted injuries.
- Injuries that result from non-preventable vehicle accidents.
- The illness is a mental illness. Mental illness will not be considered work-related unless the employee voluntarily provides the employer with an opinion from a physician or other licensed health care professional with appropriate training and experience (psychiatrist, psychologist, psychiatric nurse practitioner, etc.) stating that the employee has a mental illness that is work-related.

DELIVERABLES

Deliverable Name	Target Due Date
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Proposed 2024 Performance Metrics

T&D-13: Safety – Serious Injury Incident Rate (SIIR)

Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Serious Injury Incident Rate (SIIR) 2) Any additional supporting documentation as required	Monthly
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Proposed 2024 Performance Metrics

T&D-18: Improve Reliability Through Work Management Enhancements - Workforce Management Plans

Board Policy: Transmission & Distribution Operations	Board PIPs: WM PIPs
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Peter Mladinich
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Joseph Cicalo, Robert Bradley
PSEGLI Director: Curt Dahl, John Mccumiskey	DPS Contact: Sean Walters, Umar Sultan
Allocated Compensation (2021 Dollars): 400000	

OBJECTIVE

Develop Work Management Process Enhancements that optimize staffing levels, productivity, and overtime in support of the scheduled T&D work.

TARGETS AND CALCULATIONS

100% of all deliverables delivered by the specified dates, including achieving all elements of the LIPA- approved 2024 Workforce Management Plan by December 31, 2024.

The Workforce Management Plan includes:

1. Histogram by labor source (in-house / Contractor) and functional area (Divisions, P&C)
2. Histogram by settlement (Capital, O&M)
3. Hours by High Level Settlement
4. Hours by Low Level Settlement
5. Monthly work plan at a division level (for each of the four divisions) providing planned units for proactive blankets and programs and planned hours for reactive (emergent) programs (includes monthly actual units completed for variance purposes)

Reports shall be in a LIPA-approved format and shall be reviewed in a meeting between LIPA, PSEG Long Island, and DPS. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required

Proposed 2024 Performance Metrics

T&D-18: Improve Reliability Through Work Management Enhancements - Workforce Management Plans

revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Workforce management plans are limited to the following major workforce groups:

- Overhead, Underground, Substation Maintenance, Relay, Distribution Design, Transmission Engineering, Substation Engineering, Protection Engineering, and Substation Maintenance Civil.

DELIVERABLES

Deliverable Name	Target Due Date
Submission of 2025 Workforce Management Plan for LIPA approval by August 1, 2024 (approval not to be unreasonably withheld). The Workforce Management Plan shall include monthly and annual resource plans for all Capital and O&M work to be completed.	2024-08-01
PSEG Long Island hold Q1 quarterly review meeting with LIPA to review progress of the Workforce Management Plan. - Plan Vs. Actual Units Complete YTD - Planned Vs. Forecast Units Complete PYE	2024-04-15
PSEG Long Island hold Q2 quarterly review meeting with LIPA to review progress of the Workforce Management Plan. - Plan Vs. Actual Units Complete YTD - Planned Vs. Forecast Units Complete PYE	2024-07-15
PSEG Long Island hold Q3 quarterly review meeting with LIPA to review progress of the Workforce Management Plan. - Plan Vs. Actual Units Complete YTD - Planned Vs. Forecast Units Complete PYE	2024-10-15
Successfully deliver all elements of the LIPA-approved 2024 Workforce Management Plan by December 31, 2024.	2024-12-31
PSEG Long Island hold Q4 quarterly review meeting with LIPA to review progress of the Workforce Management Plan. - Plan Vs. Actual Units Complete YTD - Planned Vs. Forecast Units Complete PYE	2025-01-17

Proposed 2024 Performance Metrics

T&D-24: Improve Reliability Through Vegetation Management Work Plan -- Cycle Trim and Trim-to-Sky

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Donald Schaaf
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Mark Cerqueira
PSEGLI Director: Patrick Dempsey	DPS Contact: Jami Nafiul, Reshma Mathew
Allocated Compensation (2021 Dollars): 350000	

OBJECTIVE

Develop and execute Vegetation Management Work Plans and budgets.

TARGETS AND CALCULATIONS

100% of all deliverables delivered by the specified date in the deliverables section.

Work Plans shall include annual and monthly work. Work Plans identify circuit list for cycle trimming each year (minimum of 1/4 of the overhead distribution system which equates to approximately 2,200 miles) and all required substation vegetation management. Work Plans should be coordinated with maintenance and construction work plans, where possible.

The 2025 Vegetation Work Plan shall identify the minimum of 1/4 of the overhead distribution system (which equates to approximately 2,200 miles) and budgets and be provided to LIPA for approval, which shall not be unreasonably withheld, by August 30, 2024.

By December 31, 2024, execution of 100.0% of the work identified in the 2024 Vegetation Management Work Plan approved in August of 2023. To be considered trimmed and count towards metric achievement, 100% of a circuit must be trimmed per the Vegetation Management Specification (includes mainline trim-to-sky and substation, as per the 2024 Vegetation Management Work Plan) in the year.

Actual spending that is within up to +5% of the Board-approved cycle trim and trim-to-sky target.

Verification report, including schedule execution and budget spending, to be submitted to LIPA by January 31, 2025.

Incentive shall be awarded based on 100% completion of Vegetation Work Plans, per the Vegetation Management Specification (includes mainline trim-to-sky and substation, as per the 2024 Vegetation Management Work Plan) in the year and within prescribed budget range.

Reports shall be in a LIPA-approved format and shall be reviewed in a meeting between LIPA, PSEG Long Island and DPS

Proposed 2024 Performance Metrics

T&D-24: Improve Reliability Through Vegetation Management Work Plan -- Cycle Trim and Trim-to-Sky

“LIPA-approved format”, where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

1. Schedule relief may be granted for:
 - i) delays directed or requested by LIPA or
 - ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.
2. Vegetation trimmed as part of a storm response will not be included in completion count if charged to the storm account.

DELIVERABLES

Deliverable Name	Target Due Date
Submit January report of work completed vs. schedule and budget at the monthly meeting.	2024-02-16
Submit February report of work completed vs. schedule and budget at the monthly meeting.	2024-03-15
Submit March report of work completed vs. schedule and budget at the monthly meeting.	2024-04-19
Submit April report of work completed vs. schedule and budget at the monthly meeting.	2024-05-17
Submit May report of work completed vs. schedule and budget at the monthly meeting.	2024-06-21
Submit June report of work completed vs. schedule and budget at the monthly meeting.	2024-07-19
Submit July report of work completed vs. schedule and budget at the monthly meeting.	2024-08-16
The 2025 Vegetation Work Plan shall identify the minimum of 1/4 of the overhead distribution system (which equates to approximately 2,200 miles) and budgets and be provided to LIPA for approval, which shall not be unreasonably withheld, by August 30, 2024.	2024-08-30
Submit August report of work completed vs. schedule and budget at the monthly meeting.	2024-09-20
Submit September report of work completed vs. schedule and budget at the monthly meeting.	2024-10-18
Submit October report of work completed vs. schedule and budget at the monthly meeting.	2024-11-15
Submit November report of work completed vs. schedule and budget at the monthly meeting.	2024-12-20
Submit 2024 YE closeout report of work completed vs. schedule and budget at the monthly meeting.	2025-01-31

Proposed 2024 Performance Metrics

T&D-26: Improve Reliability Through Vegetation Management Work Plan – Hazard Tree Removal

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Donald Schaaf
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Mark Cerqueira
PSEGLI Director: Patrick Dempsey	DPS Contact: Jami Nafiul, Reshma Mathew
Allocated Compensation (2021 Dollars): 450000	

OBJECTIVE

Develop and execute Vegetation Management Work Plans and budgets. This metric measures hazard tree removal.

TARGETS AND CALCULATIONS

100% of all deliverables delivered by the specified date in the deliverables section.

The 2025 Vegetation Work Plans shall identify at least 14,000 hazard trees and limbs (9,000 trees + 5,000 limbs) to be removed (including locations, schedules, and cost estimates) and be provided to LIPA for approval, which shall not be unreasonably withheld, by August 30, 2024. Hazard tree and limb units include storm hardening and base vegetation budgets. Work plans shall include annual and monthly work and resource plans. Work plans should be coordinated with maintenance and construction work plans, where possible.

By December 31, 2024, execution of 100.0% of the work identified in the approved 2024 Vegetation Management Work Plan.

Actual spending that is within up to +5% of the Board-approved hazard-tree budget target.

Verification report, including schedule execution and budget spending, to be submitted to LIPA by January 31, 2025.

EXCLUSIONS

1. Schedule relief may be granted for:

- i) delays directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

2. Vegetation trimmed or hazardous trees & limbs removed as part of a storm response will not be included in completion count if charged to the storm account.

DELIVERABLES

Proposed 2024 Performance Metrics

T&D-26: Improve Reliability Through Vegetation Management Work Plan – Hazard Tree Removal

Deliverable Name	Target Due Date
Submit January report of work completed vs. schedule and budget at the monthly meeting.	2024-02-16
Submit February report of work completed vs. schedule and budget at the monthly meeting.	2024-03-15
Submit March report of work completed vs. schedule and budget at the monthly meeting.	2024-04-19
Submit April report of work completed vs. schedule and budget at the monthly meeting.	2024-05-17
Submit May report of work completed vs. schedule and budget at the monthly meeting.	2024-06-21
Submit June report of work completed vs. schedule and budget at the monthly meeting.	2024-07-19
Submit July report of work completed vs. schedule and budget at the monthly meeting.	2024-08-16
The 2025 Vegetation Work Plans shall identify at least 14,000 hazard trees and limbs (9,000 trees + 5,000 limbs) to be removed (including locations, schedules, and cost estimates) and be provided to LIPA for approval, which shall not be unreasonably withheld, by August 30, 2024.	2024-08-30
Submit August report of work completed vs. schedule and budget at the monthly meeting.	2024-09-20
Submit September report of work completed vs. schedule and budget at the monthly meeting.	2024-10-18
Submit October report of work completed vs. schedule and budget at the monthly meeting.	2024-11-15
Submit November report of work completed vs. schedule and budget at the monthly meeting.	2024-12-20
Submit 2024 YE closeout report of work completed vs. schedule and budget at the monthly meeting.	2025-01-31

Proposed 2024 Performance Metrics

T&D-30: Improve Resiliency Through Storm Hardening Work Plan - ACRV Commissioning Program

Board Policy: Transmission & Distribution Operations	Board PIPs: 5.4.1 and 5.4.5: Grid Resiliency
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: James Palmer
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Sunil Katwala, Wayne Baldassare
PSEGLI Director: John Mccumiskey, Larry Torres	DPS Contact: Qin Shi, Umar Sultan
Allocated Compensation (2021 Dollars): 450000	

OBJECTIVE

Development and execution of the Storm Hardening Work Plan - ACRV Commissioning Program.

TARGETS AND CALCULATIONS

100% of all deliverables delivered by the specified date in the deliverables section.

Metric success will include the execution, by December 31, 2024, of the work identified, which shall be a minimum of 300 ASUVs (Automatic Sectionalizing Unit Viper) to be operationalized to become ACRVs (Automatic Circuit Recloser Viper), in the final LIPA-approved PJD for 2024 Storm Hardening Work Plan – ACRV Commissioning Program.

Metric success also requires by August 30, 2024, submit a 2025 Storm Hardening Work Plan and budget that identifies the ASUV Program locations, schedules, cost estimates, and creates PJDs for a minimum of 300 ASUVs to be "operationalized" as reclosers with the same functionality as ACRVs during 2025.

Metric success also requires that PSEG Long Island complete by April 1, 2024 a total circuit operational coordination study on all circuits that contain an ASUV.

Verification report, including schedule execution and budget spending, to be submitted to LIPA by January 31, 2025.

Actual spending that is within up to +5% of the Board-approved ASUV Commissioning program budget, as applied to the actual number of units completed.

Reports shall be in a LIPA-approved format and shall be reviewed in a meeting between LIPA, PSEG Long Island and DPS.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA

Proposed 2024 Performance Metrics

T&D-30: Improve Resiliency Through Storm Hardening Work Plan - ACRV Commissioning Program

believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for delays

- i) directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Submit by April 1, 2024 a total circuit operational coordination study on all circuits that contain an ASUV.	2024-04-01
Submit 1st Quarter status report.	2024-04-19
Submit 2nd Quarter status report.	2024-07-19
Submit a 2025 Storm Hardening Work Plan and budget that identifies the ASUV Program locations, schedules, cost estimates, and creates PJDs for a minimum of 300 ASUVs to be "operationalized" as reclosers with the same functionality as ACRVs during 2025.	2024-08-30
Submit 3rd Quarter status report.	2024-10-18
Submit 2024 YE Verification Report.	2025-01-31

Proposed 2024 Performance Metrics

T&D-31: Improve Resiliency Through Storm Hardening Work Plan - LT5H (ASUV) Program

Board Policy: Transmission & Distribution Operations	Board PIPs: 5.4.1 and 5.4.5: Grid Resiliency
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: James Palmer
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Sunil Katwala, Wayne Baldassare
PSEGLI Director: John Mccumiskey, Larry Torres	DPS Contact: Qin Shi, Umar Sultan
Allocated Compensation (2021 Dollars): 350000	

OBJECTIVE

Development and execution of the Storm Hardening Work Plan - LT5H (ASUV) Program.

TARGETS AND CALCULATIONS

100% of all deliverables delivered by the specified date in the deliverables section.

Metric success will include the execution, by December 31, 2024, of the work identified in the final LIPA-approved PJD for the 2024 Storm Hardening Work Plan – LT5H (ASUV) Program, including that the 150 installed ASUVs are “operationalized” such that the ASUV operates as an ACRV.

Metric success also requires by August 30, 2024, PSEG Long Island shall submit a 2025 Storm Hardening Work Plan - LT5H (ASUV) Program and budget that identifies 75 ASUV locations, schedules, cost estimates, and updated PJD for the LT5H (ASUV) Program for 2025, including that the installed ASUVs are “operationalized” such that the ASUV operates as an ACRV.

Verification report, including schedule execution and budget spending, to be submitted to LIPA by January 31, 2025.

Actual spending that is within up to +5% of the Board-approved ASUV LT5H program budget, as applied to the actual number of units completed.

Reports shall be in a LIPA-approved format and shall be reviewed in a meeting between LIPA, PSEG Long Island and DPS.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA’s expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA’s standards for approval, LIPA will provide a summary of why and what is needed to bring

Proposed 2024 Performance Metrics

T&D-31: Improve Resiliency Through Storm Hardening Work Plan - LT5H (ASUV) Program

the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

Schedule relief may be granted for delays

- i) directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Submit 1st Quarter status report.	2024-04-19
Submit 2nd Quarter status report.	2024-07-19
PSEG Long Island shall submit a 2025 Storm Hardening Work Plan - LT5H (ASUV) Program and budget that identifies 75 ASUV locations, schedules, cost estimates, and updated PJD for the LT5H (ASUV) Program for 2025, including that the installed ASUVs are "operationalized" such that the ASUV operates as an ACRV.	2024-08-30
Submit 3rd Quarter status report.	2024-10-18
Submit 2024 YE Verification Report.	2025-01-31

Proposed 2024 Performance Metrics

T&D-36: Construction - Cost Estimating Accuracy

Board Policy: Transmission & Distribution Operations, "Customer Value, Affordability, & Rate Design"	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: James Palmer
PSEGLI Exec. Sponsor: Margaret Keane	PSEGLI Proj. Mgr: Shaun Jeter
PSEGLI Director: Robert Rowe	DPS Contact: Jami Nafiul, Minji Ham
Allocated Compensation (2021 Dollars): 300000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
85%	84.2%	86%	94.1%	85%	90.7%	90%

OBJECTIVE

Execution of approved Specific Capital Projects as budgeted.

TARGETS AND CALCULATIONS

Execution of 2024 Specific Capital Projects within cost estimates. This metric is limited to measuring discrete capital projects at the time of their respective close-outs during the Contract Year 2024 versus their initial Definitive level cost estimates.

Cost estimating accuracy per existing methodology for Budget PJDs.

- Estimating accuracy reported based on the month when the project is closed-out.
- % Estimating Accuracy = % absolute variance of each project closed-out cost versus initial Definitive level estimate (Base cost approved by URB).
- An overall portfolio variance is % absolute variance of cumulative project closed-out cost versus cumulative initial Definitive level estimate.
- The YTD calculation is overall portfolio variance for all projects closed out YTD.

Target: >= 90.0% Cost estimating accuracy.

Rounding protocols will allow for a performance of 89.95% and above to be rounded up to successfully meet the target of 90.0%.

EXCLUSIONS

Proposed 2024 Performance Metrics

T&D-36: Construction - Cost Estimating Accuracy

Schedule relief may be granted for delays

i) directed or requested by LIPA or

ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Construction - Cost Estimating Accuracy 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

T&D-37: Improve Reliability and Resiliency Through Completion of Program Planned Units and Management of Unit Costs Per Workplan

Board Policy: Transmission & Distribution Operations, "Customer Value, Affordability, & Rate Design"	Board PIPs: WM PIPs
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: James Palmer
PSEGLI Exec. Sponsor: Margaret Keane	PSEGLI Proj. Mgr: Shaun Jeter
PSEGLI Director: Robert Rowe	DPS Contact: Jami Nafiul, Qin Shi
Allocated Compensation (2021 Dollars): 600000	

OBJECTIVE

Adherence to Targeted Program planned units and unit costs.

TARGETS AND CALCULATIONS

Targeted Programs, distinct and separate from Projects, must include units of work to be completed within one year. Units of work must be deemed as complete to count as a completed unit.

Unit costs will be reviewed and modified pending the completion of the scheduled audit of Compatibility Unit Estimate (CUE) accuracy review.

By December 31, 2024, complete program planned units/miles within prescribed cost range consistent with Program Workplan PJDs for the following Targeted Programs:

1. Distribution Circuit Improvement Program (CIP) (SOS-1293) – 330 miles at cost of \$20,954/mile.
2. Transmission breaker replacement (SOS-1452) – 15 units at cost of \$255,000/breaker.
3. Underground distribution cable upgrades (SOS-183) – 92,100 feet at cost of \$200/foot.
4. Upgrade Supervisory Controller for Capacitor Banks (SOS-1183) – 130 units at a cost of \$27,500/unit.
5. Residential underground cables (SOS-1291) – 82,145 feet at cost of \$190/foot.
6. Replacement of non-restorable distribution pole rejects (SOS -2124) – 1,050 units at cost of \$11,943/pole.
7. Single Phase Recloser Devices (SOS-XXX) – XXX units at a cost of \$XXX/unit.
8. Transformer Monitoring (SOS-1250) – 50 units at cost of \$98,000/unit.

Note for item #7 above: Single Phase Recloser Devices - units and cost/unit will be developed and based upon LIPA-approved PJD which will occur subsequent to metric negotiations.

Note: Volumetric and cost targets to be based on PJDs submitted in September 2023. The final measurement for this will be based on the latest LIPA-approved PJD.

Achievement for volumetric elements will be calculated as the difference between the planned units/jobs/miles/feet and the actual units/jobs/miles/feet achieved by December 31, 2024, divided by the planned units/jobs/miles/feet.

Proposed 2024 Performance Metrics

T&D-37: Improve Reliability and Resiliency Through Completion of Program Planned Units and Management of Unit Costs Per Workplan

Achievement for cost elements will be calculated as the difference between the planned per unit and per foot costs and the actual per unit and per foot costs achieved by December 31, 2024, divided by the planned per unit and per foot costs.

Target: For the volumetric elements, complete $\geq 92.0\%$ of the planned units/miles within the established target and based on the latest LIPA-approved PJD documentation. For the cost elements, achieve $\pm 5\%$ of the planned per unit and per-mile costs within the established target and based on the latest LIPA-approved PJD documentation.

- 100% of the allocated incentive compensation for achieving 8 out of 8 Programs (both the volumetric and cost element targets of each must be successfully met)
- 75% of the allocated compensation for achieving 7 out of 8 Programs (both the volumetric and cost element targets of each must be successfully met)
- 6 or less of the Program targets will result in 0% of the allocated compensation being awarded.

EXCLUSIONS

Schedule relief may be granted for delays

- i) directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Completion of Program Planned Units Per Workplan. 2) Any additional supporting documentation as required	Monthly

Proposed 2024 Performance Metrics

T&D-40: Reduce Double Wood Poles

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Tyler Pearsall, William Moir
PSEGLI Director: Richard Henderson	DPS Contact: Justin Koebele, Qin Shi
Allocated Compensation (2021 Dollars): 200000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
9110	9978	9110	6295	6295	6477	5829

OBJECTIVE

As a safety and system reliability matter, continue to manage the amount of Double Wood Poles on the T&D system.

TARGETS AND CALCULATIONS

Amount of double wood poles, as recorded in the National Joint Utilities Notification System (NJUNS), on December 31, 2024. Targets will be measured and stated in pole counts in the format of #,###.

Target: Achieve the following Double Wood Pole year-over-year performance criteria as of December 31, 2024:

1. For 50% of the allocated incentive compensation, achieve a Next-To-Go (NTG) that is 10% lower than the 2023 YE.
2. For 75% of the allocated incentive compensation, successfully achieve the NTG target stated above in Criterion #1 and also achieve an overall Double Wood Pole count that is no higher than the 2023 YE level.
3. For 100% of the allocated incentive compensation, successfully achieve the targets stated above in Criteria #1 & #2 and also achieve an overall Double Wood Pole count that is \geq 10% lower than the 2023 YE level.

Note: Discrete 2024 pole count target numbers will be calculated for each of the above three criteria after the close of 2023, reflecting performance as of December 31, 2023.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
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Proposed 2024 Performance Metrics

T&D-40: Reduce Double Wood Poles

Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Double Wood Poles 2) Documentation demonstrating NJUNS timely data-entry of all Double Wood Poles identified during the physical asset verification project. 3) Any additional supporting documentation, as required, including meeting minutes of bi-monthly meetings with external stakeholders.	Monthly
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Proposed 2024 Performance Metrics

T&D-41: Program Effectiveness - Vegetation Management

Board Policy: Transmission & Distribution Operations	Board PIPs: 5.4.1 and 5.4.5: Grid Resiliency
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Peter Mladinich
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Mark Cerqueira, Wayne Baldassare
PSEGLI Director: John Mccumiskey, Patrick Dempsey	DPS Contact: Jami Nafiul, Reshma Mathew
Allocated Compensation (2021 Dollars): 300000	

Historical Context YE Results (Quantitative Metrics Only)						
2020		2021		2022		2023
YE Target	YE Result	YE Target	YE Result	YE Target	YE Result	YE Target
NA	NA	NA	NA	NA	NA	-50%

OBJECTIVE

Realize tangible performance improvements on parts of the system that have completed prescribed vegetation management activities per the 2023 Vegetation Management work plan.

TARGETS AND CALCULATIONS

Year-Over-Year (YOY) outage incident reduction of 50% for the circuits actually addressed in the 2023 Plan due to effective Vegetation Management. This applies only to Primary, sustained outages directly related to vegetation. Baseline for each circuit will be set using 12 months immediately prior to 2023 work/upgrades being completed.

Target and Incentive compensation will be allocated as follows:

- 100% for achieving a $\geq 50.0\%$ YOY outage incident reduction.
- 50% for achieving a $\geq 35.0\%$ YOY outage incident reduction.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless

Proposed 2024 Performance Metrics

T&D-41: Program Effectiveness - Vegetation Management

otherwise approved as an exceptions request.

“LIPA Approved format”, where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

1. Exclusions only for NYS Department of Public Service 72-hour storm events.
2. Only those outages deemed to be directly Vegetation related, and with vegetation-related cause codes (e.g., Entire tree fell over or Large Overhanging Limb) will be included in the calculation.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for T&D-41 Program Effectiveness – Vegetation Management Any additional supporting documentation as required	Monthly
Submit January report of performance at the monthly meeting.	2024-02-16
Submit February report of performance at the monthly meeting.	2024-03-15
Submit March report of performance at the monthly meeting.	2024-04-19
Submit April report of performance at the monthly meeting.	2024-05-17
Submit May report of performance at the monthly meeting.	2024-06-21
Submit June report of performance at the monthly meeting.	2024-07-19
Submit July report of performance at the monthly meeting.	2024-08-16
Submit August report of performance at the monthly meeting.	2024-09-20
Submit September report of performance at the monthly meeting.	2024-10-18
Submit October report of performance at the monthly meeting.	2024-11-15
Submit November report of performance at the monthly meeting.	2024-12-20
Submit 2024 YE closeout report of performance at the monthly meeting.	2025-01-31

Proposed 2024 Performance Metrics

T&D-44: Regulatory Compliance

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Margaret Keane, Michael Sullivan	PSEGLI Proj. Mgr: Craig Laffey, Erin Gorman, Nicholas Culpepper, Tim Lupski
PSEGLI Director: Anie Philip, John Mccumiskey, Larry Torres, Patrick Dempsey, Paul Simmons	DPS Contact: Jami Nafiul, Qin Shi
Allocated Compensation (2021 Dollars): 250000	

OBJECTIVE

Operate within all applicable rules and regulations by meeting all local, state, and federal compliance reporting regulations. Appropriately Self-Report all instances of Non-Compliance.

TARGETS AND CALCULATIONS

- 1) Achieve ≤ 3 violations of Environmental Rules and Regulations to include both Self-Reports and Notice of Violations for the year ending December 31, 2024.
- 2) 100% of regulatory required Operator Training for the year ending December 31, 2024.
- 3) For Bulk Electric System (BES) System Studies managed by Transmission Planning, 100% of regulatory required BES System Studies for the year ending December 31, 2024.
- 4) Achieve ≤ 3 violations of all required permitting to include both Self-Reports and Notice of Violations for the year ending December 31, 2024.
- 5) Comply with all established NYS DPS requirements regarding Event Notifications.

Target:

Compensation to be allocated based on achievement of specific metrics above:

- 5 out of 5 is required for 100% of the allocated compensation
- 4 out of 5 is required for 65% of the allocated compensation
- ≤ 3 out of 5 will result in 0% of the allocated compensation

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive. Once a deliverable is received, LIPA shall timely review and provide feedback to ensure that the deliverable complies with the corresponding deadline and LIPA's expectations.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required

Proposed 2024 Performance Metrics

T&D-44: Regulatory Compliance

revisions to address LIPA’s feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only two opportunities post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

“LIPA Approved format”, where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

None

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA SharePoint Site the following: 1) Monthly Scorecard Reporting Requirement for Items #1 through #5 above 2) Any additional supporting documentation as requested	Monthly

Proposed 2024 Performance Metrics

T&D-46: Root Cause Analysis (RCA) Execution and Compliance

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: James Palmer
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Wayne Baldassare
PSEGLI Director: John Mccumiskey	DPS Contact: Justin Koebele, Qin Shi
Allocated Compensation (2021 Dollars): 400000	

OBJECTIVE

Enhance and expand the RCA program through the inclusion of additional operational, safety and system-related events, and the development of a formal Corrective Action Program (CAP).

TARGETS AND CALCULATIONS

Develop and submit a Project Implementation Plan (PIP) by March 1, 2024, for the development and implementation of a formal Corrective Action Program (CAP), including the review and selection of necessary software, as appropriate. The PIP shall be in a LIPA-approved format. Execution of all approved PIP deliverables by December 31, 2024. Metric deliverables will be modified with 2024 deliverables upon completion and approval of PIP.

Expand the current RCA program to include, at a minimum:

- 1) T&D - Safety Incidents
- 2) T&D - Inadvertent Operations, including NRA incidents
- 3) T&D - Mis-Operations
- 4) T&D - Locate and Mark (Dig-Ins)
- 5) IT - Outages or incidences affecting IT/OT Systems

Target: Meet all identified requirements with deliverables and deliver by established due dates.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only one opportunity post the Due Date to resubmit deliverables to obtain LIPA approval, unless

Proposed 2024 Performance Metrics

T&D-46: Root Cause Analysis (RCA) Execution and Compliance

otherwise approved as an exceptions request.

“LIPA Approved format”, where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

EXCLUSIONS

- i) directed or requested by LIPA or
- ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Develop and submit a PIP by March 1, 2024, for the development and implementation of a formal Corrective Action Program (CAP), including the review and selection of necessary software, as appropriate. Execution of all approved PIP deliverables by December 31, 2024. Metric deliverables will be modified with 2024 deliverables upon completion and approval of PIP.	2024-03-01
Q1 report delivered to LIPA and DPS to be reviewed at quarterly meeting between the three Parties	2024-04-19
Q2 report delivered to LIPA and DPS to be reviewed at quarterly meeting between the three Parties	2024-07-19
Q3 report delivered to LIPA and DPS to be reviewed at quarterly meeting between the three Parties	2024-10-18
Q4 report delivered to LIPA and DPS to be reviewed at quarterly meeting between the three Parties	2025-01-17

Proposed 2024 Performance Metrics

T&D-49: Work Management Effectiveness

Board Policy: Transmission & Distribution Operations, "Customer Value, Affordability, & Rate Design"	Board PIPs: WM PIPs
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Peter Mladinich
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Joseph Cicalo, Robert Bradley
PSEGLI Director: John Mccumiskey	DPS Contact: Sean Walters, Umar Sultan
Allocated Compensation (2021 Dollars): 500000	

OBJECTIVE

Measure the effectiveness of the Work Management initiatives implemented from 2021-2024.

TARGETS AND CALCULATIONS

Demonstrate the work management effectiveness by measuring the following factors:

1) Productivity for Specific Work Types (1 Target)

- Calculation: (Estimated Hours)/(Actual Hours) at Notification Level (job)
- Target: Overhead/Underground Lines: 2023 YE Performance x 1.05 or 80% whichever is lower
- Key Inclusions:
 - Completed work with a minimum of 24 actual hours (crew total hours) were spent on a notification (job)
 - Specific Work Types to Be Measured (that were created by Distribution Design):
 - ASUV
 - ACRV
 - New Business
 - Replacement of Non-Restorable Distribution Wood Pole Rejects
 - Distribution Transformer Replacement

2) Create Scorecard (1 Target)

- Utilization
 - Calculation: (Output) / (Available Hours)
 - Target: Create a LIPA OSA scorecard to demonstrate the review of the utilization metric for Overhead and Underground lines, Relay and Substation Maintenance.
- Work Plan Variance
 - Calculation: (Total Actual Hours)/(Total Forecasted Hours)
 - Target: Create a LIPA OSA scorecard to demonstrate the review of the work plan variance to review past performance and future forecast for Overhead and Underground lines.

3) Overtime Rates (3 Targets)

- Calculation: (Non-Storm OT Hours)/(Non-Storm productive Hours)
- Target:

Proposed 2024 Performance Metrics

T&D-49: Work Management Effectiveness

- Overhead/Underground Lines: 31.0%
- Distribution Ops: 36.0%
- Substation/Relay Maintenance: 32.0%

4) Schedule Attainment (3 Targets)

- Calculation: [Scheduled Jobs that were completed or in progress] / [Scheduled Jobs that were completed or in progress + Non-Scheduled Jobs that were completed or in progress]
- Target:
 - Overhead/Underground Lines: October – December YE Performance x 1.05 or 80% whichever is lower
 - Substation: October – December YE Performance x 1.05 or 80% whichever is lower
 - Relay Maintenance: October – December YE Performance x 1.05 or 80% whichever is lower
- Key Inclusions:
 - Must Go Job is a separate category and not counted in the dominator.

Incentive Compensation:

- Successfully meet 8 or more targets = 100% of incentive compensation
- Successfully meet 7 or more targets = 75% of incentive compensation
- Successfully meet 5 or more targets = 50% of incentive compensation
- Successfully meet 4 or less targets = 0% of incentive compensations

EXCLUSIONS

1. Non-Storm Emergencies pursuant to the Second A&R OSA.
2. Major DPS level storm(s) that cause significant disruptions in work plan execution.

DELIVERABLES

Deliverable Name	Target Due Date
Upload to the LIPA designated folder on the LIPA Sharepoint Site the following: 1) Monthly Scorecard Reporting Requirement for Work Management Effectiveness 2) Any additional supporting documentation as required	Monthly
3) Scorecards for Utilization and Work Plan Variance	2024-03-31

LIPA 2024 Proposed Performance Metrics

T&D-50: Storm Outage Response Performance

Board Policy: Transmission & Distribution Operations	Board PIPs: 3.2.2.3: CGI Outage Management System
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Donald Schaaf
PSEGLI Exec. Sponsor: Michael Sullivan	PSEGLI Proj. Mgr: Tim Lupski
PSEGLI Director: Larry Torres, Pat Hession, Richard Henderson	DPS Contact: Mohammed Hasan, Qin Shi
Allocated Compensation (2021 Dollars): 300000	

OBJECTIVE

Measure and improve the overall outage management and response effectiveness during storms with customer outage durations ≥ 24 hours and < 48 hours.

TARGETS AND CALCULATIONS

Demonstrate excellent performance as reflected in the Small Storm Scorecard ("Scorecard") for applicable OSA storms ≥ 24 and < 48 hours in length.

The Scorecard is based on a total maximum score of 1,000 points. Note: certain elements of the Scorecard will not be applicable for all storms. In those cases, a maximum eligible score of less than 1,000 points will result and be applicable to that specific storm. The % achievement calculations for that specific storm will then be calculated in the normal fashion on the lower point basis.

Each qualifying storm will be scored by PSEG Long Island within 15 business days from the end of the storm. LIPA will then perform IV&V and will render its own score within 10 business days of receiving the Scorecard from PSEG Long Island. In the event of an overall score discrepancy, the Parties will meet to discuss and reconcile. If full resolution does not occur, the final (original or modified) LIPA score shall serve as the official score for metric purposes.

Official reporting monthly as part of the T&D Balanced Scorecard monthly report and meeting between LIPA, PSEG Long Island, and DPS. Timely meetings to be held between the Parties within 10 business days after storm scorecards have been submitted by both PSEG Long Island and LIPA to conduct in-depth discussions specific to the qualifying storm.

The rating period will be for storms that commence on or after 12:00 a.m. EST on January 1, 2024, through storms ending on or before midnight December 31, 2024.

The elements and maximum point values of the Scorecard are shown below, with line-item detail and calculations contained in a Scorecard provided by LIPA (See Scorecard Structure in Figures 1-4 below):

- 1) Pre-Storm (200 Points)
 - a. Accuracy of Projected Weather Impact (Outage Jobs)
 - b. Customer notifications per the ERP including:

LIPA 2024 Proposed Performance Metrics

T&D-50: Storm Outage Response Performance

- i. LSE Customers Alerted
- ii. Critical Customers Notified
- iii. Press releases, texts, and emails

2) Storm Accuracy (500 Points)

- a. Reliability – SAIFI & CAIDI
- b. Crew Staffing & Productivity:
 - i. Internal Staffing
 - ii. On-Island Contractors
- c. Outage Start to Dispatch
- d. ETR Accuracy
- e. System Improvement programs are effective.
- f. Safety of Crews and Public

3) Post Storm (300 Points)

- a. Outage Map Availability
- b. Availability - AMI & OMS
- c. PSEG Long Island Storm Brief/AAR within 15 Business days from end of storm
- d. Final Storm SAS Report within 10 business days from the end of storm
- e. PSC Complaints

Note: For applicable Storm Scorecard line items, the baseline will be established as soon as practicable after December 31, 2023. The Parties will then review and reach agreement on the baseline levels applicable to be measured against for qualifying 2024 storms.

Target: Incentive compensation will be awarded, based on the average point score for all qualifying storms over the course of the rating period, as follows:

- 1) 100% of the allocated incentive compensation awarded for an average score of $\geq 80.0\%$ attainment of all eligible points for the rating period.
- 2) 50% of the allocated incentive compensation awarded for an average score of $\geq 70.0\%$ attainment of all eligible points for the rating period.
- 3) 0% incentive compensation awarded for an average score of $< 70.0\%$ attainment of all eligible points for the rating period.

Further, automatic metric failure will occur if one or more qualifying storms during the rating period earns a score(s) of $< 50.0\%$ of the total maximum achievable points for that particular storm(s). In such case, no incentive compensation will be awarded for this metric, irrespective of performance for all other qualifying storms.

LIPA 2024 Proposed Performance Metrics

T&D-50: Storm Outage Response Performance

If there are no qualifying storms that occur in 2024, the full allocated incentive compensation will be reallocated on a pro-rata basis among the Electric T&D Scope Function.

EXCLUSIONS

- 1) Storms that occur in whole or in part outside the established metric rating period
- 2) Planned (Scheduled) Outages
- 3) If a second storm occurs during the 5-day restoration period, then the Storm Brief and SAS report for the first storm will be due 10 business days after the end date of the second storm. The Storm Brief and SAS report due date for the second storm will not change and will be required as described in the definition of Measure in the Scorecard.

DELIVERABLES

Deliverable Name	Target Due Date
Finalize Storm Outage Response Performance Scorecard for utilization with 2024 metric	2024-01-15
Upload to the LIPA designated folder on the LIPA Sharepoint Site the following: 1) Monthly Scorecard Reporting Requirement for Storm Outage Response Performance (Small Storm Scorecard) 2) Any additional supporting documentation as required	10 business days after a qualifying event
For each qualifying storm, the Parties will meet and discuss within 10 business days after both PSEG Long Island and LIPA have provided storm scorecards to the other Party.	10 business days After Storm Scores have been provided by both Parties.

LIPA 2024 Proposed Performance Metrics

T&D-50: Storm Outage Response Performance

PROPOSED SCORECARD FOR STORMS > = 24 HOURS BUT < 48 HOURS				
	LIPA Scorecard Point System	Solid Performance (Agreed by PSEG-LI & LIPA)	Points Available	Points Earned
Pre-Storm	200	XX		
Storm	500	XX		
Post- Storm & Financials	300	XX		
Total Solid Performance	1000	XX		
High End performance incentive (Solid Performance with an average score of > = 80% for all storms)			100% Compensation	
Average performance (Overall performance is acceptable with an average score of > = 70% for all storms)			50% Compensation	
Storm Failure (Overall performance with an average score of < 70% is a storm failure)			0% Compensation	
If there are no qualifying storms that occur in 2024, the full allocated incentive compensation will be reallocated on a pro-rata basis among the Electric T&D Scope Function.				
Automatic metric failure will occur if one or more qualifying storms during the rating period earns a score(s) of < 50.0% of the total maximum achievable points for that particular storm(s). In such case, no incentive compensation will be awarded for this metric, irrespective of performance for all other qualifying storms.				

PROPOSED SCORECARD FOR STORMS > = 24 HOURS BUT < 48 HOURS					
Pre-Storm					
Area of Interest	Definition of Measure	Measurement Criteria	Points	Points Earned	LIPA Evaluation
Projected weather impact	PSEGLI uses past history, current weather projection and experience to project outage jobs and Customers Interrupted (CI)	Total outage jobs is within ± 10% of projected outage jobs.	50		
		Total outage jobs is within ± 20% of projected outage jobs.	20		
Customer Communication	Pre-storm notifications	All LSE Customers alerted (as outlined by ERP)	50		
		All Critical Customers notified (as outlined by ERP)	50		
		All Press Releases issued / text messages / emails sent (as outlined by ERP)	50		
			200		

LIPA 2024 Proposed Performance Metrics

T&D-50: Storm Outage Response Performance

PROPOSED SCORECARD FOR STORMS >= 24 HOURS BUT < 48 HOURS							
STORM							
Area of Interest	Definition of Measure	2024	Measurement Criteria	Points	Points Earned	LIPA Evaluation	
Reliability	Storm restoration performance measured in storm event SAIFI and storm event CAIDI - Mainline	Storm SAIFI = (5% improvement over 3 year avg)	TBD	25		PSEGLI needs additional time to review 3-year average minus a 5% improvement. TBD by January 31, 2024 when 2023 numbers are finalized.	
		Storm CAIDI = (5% improvement over 3 year avg)	TBD	25			
	Storm restoration performance measured in storm event SAIFI and storm event CAIDI - Branchline	Storm SAIFI = (5% improvement over 3 year avg)	TBD	25			
		Storm CAIDI = (5% improvement over 3 year avg)	TBD	25			
Crew Staffing Levels and Productivity	PSEGLI High voltage crew jobs productivity for the entirety of storm once the threshold has been met. (i.e. # of jobs not coded as Single or Single WD P-8 in "Priority" field divided by number of crews)	Based on 16 hour shift (Measurement to begin when storm threshold is met and storm start time is agreed too)	Crew Productivity ≥ 2.0	50		PSEGLI agrees in principle but needs additional time to review proposed formula for measuring productivity.	
			Crew Productivity ≥ 1.5	30			
			Crew Productivity < 1.5	10			
Crew Staffing Levels and Productivity	Contractor High voltage crew jobs productivity for the entirety of storm once the threshold has been met. (i.e. # of jobs not coded as Single or Single WD P-8 in "Priority" field divided by number of crews)	Based on 16 hour shift (Measurement to begin when storm threshold is met and storm start time is agreed too)	Crew Productivity ≥ 2.0	30			
			Crew Productivity ≥ 1.5	20			
			Crew Productivity < 1.5	10			
Job Start to Dispatch	Average job dispatch time for the entire storm, as measured by job "Start" time to job "Dispatched" time for all outage jobs.	Average dispatch time = 10% improvement over 2023	TBD	10% improvement	20	PSEGLI was looking to make this measurement for only HV related outages. LIPA is looking to measure all outage jobs.	
Estimated Time of Restoration (ETR)	Local ETR accuracy as published in accordance with ETR requirement time	1 ETR	40%	Restoration complete 0-2 hrs of prior	50	proposed percentages for measuring success and agree with proposal or recommendation	
		2 ETRs	50%	Restoration complete 2-4 hrs of prior	20		
		3 ETRs	75%	Restoration complete 0-2 hrs of prior	10		
		4 or more ETRs to any customer		Restoration complete 2-4 hrs of prior	20		
				Metric Failure	0		
System Improvement programs are effective (e.g. circuit improvement program, hardening, vegetation management)	Circuit lockouts – jobs with priorities as LO-Lockout or ILO – Int Lockout or ASU-Lockout	Lock Out (3 year avg)	TBD	5% improvement = TBD	30	TBD by January 31, 2024 when 2023 numbers are finalized.	
	Fuse Outages - Jobs with priorities listed as Branch Line Fuse	Fuse Job (3 year avg)	TBD	5% improvement = TBD	20		
Safety	Measure of any employee, contractor or member of the Public injured as a result of work during storm/outage and restoration.			Non-high hazard injury (0)	100		
				Non-high hazard injury (1)	50		
				High-hazard injury	0		
				PMVA (0)	100		
				PMVA (1)	50		
				PMVA (2)	0		

PROPOSED SCORECARD FOR STORMS >= 24 HOURS BUT < 48 HOURS							
Post-Storm	Definition of Measure	Measurement Criteria	Points	Points Earned	Comments		
Outage Map Availability	No issues with outage map and updates	Availability of outage map throughout the duration of the storm	50				
AMI Availability	No issues with AMI	Availability of AMI throughout the duration of the storm	50				
OMS Availability	No issues with OMS	Availability of OMS throughout the duration of the storm	50				
Accurate storm information is captured and shared in the Storm Brief	PSEGLI issues a detailed Storm Brief within 15 business days after the storm (If a second storm occurs during the 5-day followup period then this Storm Brief will be due 10 business days after the end date of the second storm)	PSEGLI issues Storm Brief that includes but is not limited to: <ul style="list-style-type: none"> Projected weather information vs actual weather information Projected damage vs actual damage Outages by district Projected manpower needs vs actual manpower Staffing by shifts Reliability numbers Outage tracker Productivity Circuit Lockouts & Fuse Outages Safety 	50				
Timely SAS Report submitted	Final SAS report to be submitted within 10 business days after the storm (If a second storm occurs during the 5-day followup period then this SAS Report will be due 10 business days after the end date of the second storm)	Accuracy of information contained in report < 5% errors	50				
PSC Complaints	Number of storm/outage related PSC complaints received	No PSC complaints received	50				
			300				

Proposed 2024 Performance Metrics

T&D-52: Triennial Safety Assessment

Board Policy: Safety	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
PSEGLI Exec. Sponsor: Margaret Keane	PSEGLI Proj. Mgr: Theodore Kern
PSEGLI Director: Gregory Player	DPS Contact: Sean Walters, Umar Sultan
Allocated Compensation (2021 Dollars): 350000	

OBJECTIVE

To assess and improve overall Safety performance as identified through an independent third-party review according to the Board of Trustees Policy on Transmission and Distribution Safety.

TARGETS AND CALCULATIONS

Develop and submit a PIP for LIPA approval that addresses recommendations of a third-party triennial safety assessment that is scheduled to be completed by December 31, 2023. The PIP shall be completed by March 1, 2024, or within two months of receiving the triennial safety assessment final report, whichever is later, and shall be in a LIPA-approved format. Metric deliverables will be updated in Smartsheets to include the LIPA-approved PIP deliverables and dates in 2024.

If the triennial safety assessment results in no material findings, in the reasonable judgement of LIPA, by December 31, 2023, then the compensation for this metric will be reallocated pro-rata to the other T&D metrics.

Execute all identified deliverables in the metric on or before their respective timelines. All deliverables are subject to LIPA review and approval, which shall not be unreasonably withheld. All submitted deliverables shall be clear, comprehensive, and substantive.

PSEG Long Island may submit deliverables before the Due Date, and time permitting, LIPA will make a reasonable attempt to provide feedback to allow PSEG Long Island to improve and resubmit the deliverable by the Due Date, if LIPA believes improvements and resubmissions are necessary. For deliverables submitted as of the Due Date that are determined to not meet LIPA's standards for approval, LIPA will provide a summary of why and what is needed to bring the deliverables to closure, and PSEG Long Island may resubmit the deliverables within ten business days. If required revisions to address LIPA's feedback will take longer than ten business days to complete, PSEG Long Island will submit an exceptions request with a proposed timeline, including justification, which LIPA will reasonably consider. PSEG Long Island shall have only one opportunity post the Due Date to resubmit deliverables to obtain LIPA approval, unless otherwise approved as an exceptions request.

"LIPA Approved format", where specified, is to be generated by PSEG Long Island unless otherwise agreed to by the parties.

Proposed 2024 Performance Metrics

T&D-52: Triennial Safety Assessment

EXCLUSIONS

Schedule relief may be granted for delays

i) directed or requested by LIPA or

ii) situations or business conditions that arise that LIPA determines or agrees are beyond the reasonable control of PSEG Long Island.

DELIVERABLES

Deliverable Name	Target Due Date
Develop and submit a PIP by March 1, 2024, or within two months of receiving the triennial safety assessment final report, whichever is later.	03/01/24 or within two months of receiving the triennial safety assessment final report.
Q1 Update of metric deliverables in Smartsheets. The Parties will meet, as deemed necessary, to discuss progress and issues.	2024-04-19
Q2 Update of metric deliverables in Smartsheets. The Parties will meet, as deemed necessary, to discuss progress and issues.	2024-07-19
Q3 Update of metric deliverables in Smartsheets. The Parties will meet, as deemed necessary, to discuss progress and issues.	2024-10-18
Q4 Update of metric deliverables in Smartsheets. The Parties will meet, as deemed necessary, to discuss progress and issues.	2025-01-17