



2024 Annual Work Plan

January 25, 2024

LIPA BOARD'S OBJECTIVES FOR SERVICE TO CUSTOMERS

Figure 1: Key Policy Objectives

- The LIPA Board provides strategic direction through a set of governance policies ([link](#)).
- The Board's policies define LIPA's purpose and vision and set expectations for the strategic outcomes to deliver in reliability, customer experience, clean energy, affordability, information technology, and fiscal sustainability.
- The **budget, performance metric, and work planning** process start with the objectives set by the Board of Trustees as reflected in LIPA's policies.

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 Summary

LIPA'S OVERSIGHT OF PSEG LONG ISLAND'S BUDGETS

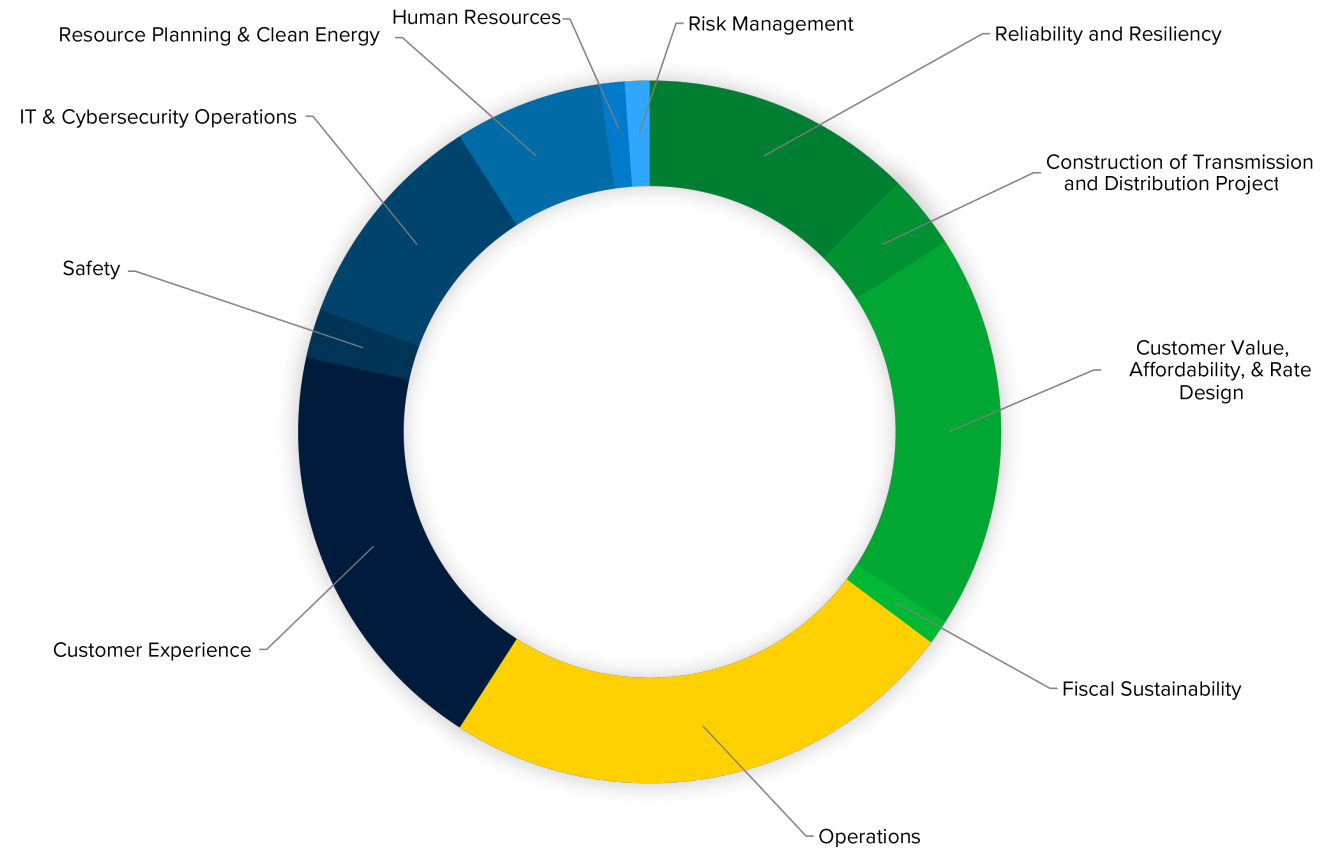
- Budgets are a plan of action expressed in dollars
- LIPA's annual process of planning and budgeting draws from extensive and rigorous review to define PSEG Long Island Performance Metrics and make tradeoffs of costs and business benefits
- As the PSEG Long Island contract contains “pass through” costs to customers for nearly all costs, rigorous review by LIPA resulted in a **\$75 million (11%) reduction** to PSEG Long Island's 2024 O&M Budget request and a **\$94 million (11%) reduction** to Capital Budget requests

Department	Reductions to Operations and Maintenance Budget (% Budget)	Reductions to Capital Budget (% Budget)
Transmission & Distribution	\$27.5 million (11%)	\$48.0 million (7%)
Customer Experience	\$12.8 million (11%)	\$4.4 million (36%)
Power Supply and Clean Energy (including Utility 2.0)	-\$0.8 million (-1%)	\$0.9 million (8%)
Innovation and Information Technology	\$26.3 million (21%)	\$41.1 million (29%)
Business Services (External Affairs, Other)	\$9.6 million (13%)	-
Total	\$75.4 million (11%)	\$94.4 million (11%)

PSEG LONG ISLAND PERFORMANCE METRICS – ACCOUNTABILITY FOR PERFORMANCE

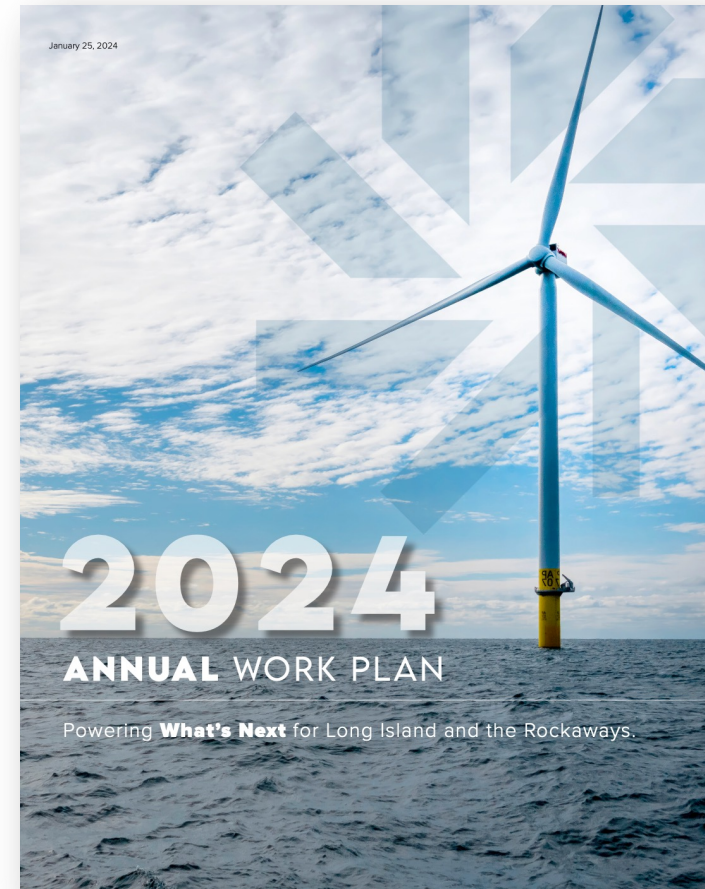
- For 2024, LIPA established **61 PSEG Long Island performance metrics**. The 2024 metrics were proposed by LIPA, with an independent recommendation to the Board by DPS. The Board approved these metrics in December 2023.
- The metrics are distributed across all the management services provided to LIPA and its customers.
- Metrics are designed to be achievable levels of performance that are objectively verifiable, with budgeted funds to achieve this performance.
- **\$20 million (2022-inflation adjusted dollars) of Variable Compensation** is at-risk based on these 2024 Performance Metrics.
- LIPA staff work throughout the year to **independently verify and validate** PSEG Long Island's performance under the metrics.

Focus Areas for 2024 Performance Standards



LIPA'S ANNUAL WORK PLAN

- **LIPA's Work Plan summarizes all the activities of the LIPA staff during the year and contains specific projects that LIPA staff will directly undertake to fulfill the Board's strategic direction.** The Work Plan defines specific objectives and deliverables for each project.
- Projects contained in the Work Plan include:
 1. Those related to LIPA's direct responsibilities, such as financing, wholesale markets policy, rates/tariffs, etc.
 2. Oversight of services provided to LIPA contractually by PSEG Long Island, PSEG Energy Resources and Trade, National Grid, and other providers.
- Work Plan projects go beyond day-to-day staff responsibilities.
- The Report also summarizes the **accomplishments of the 2023 Work Plan projects.**



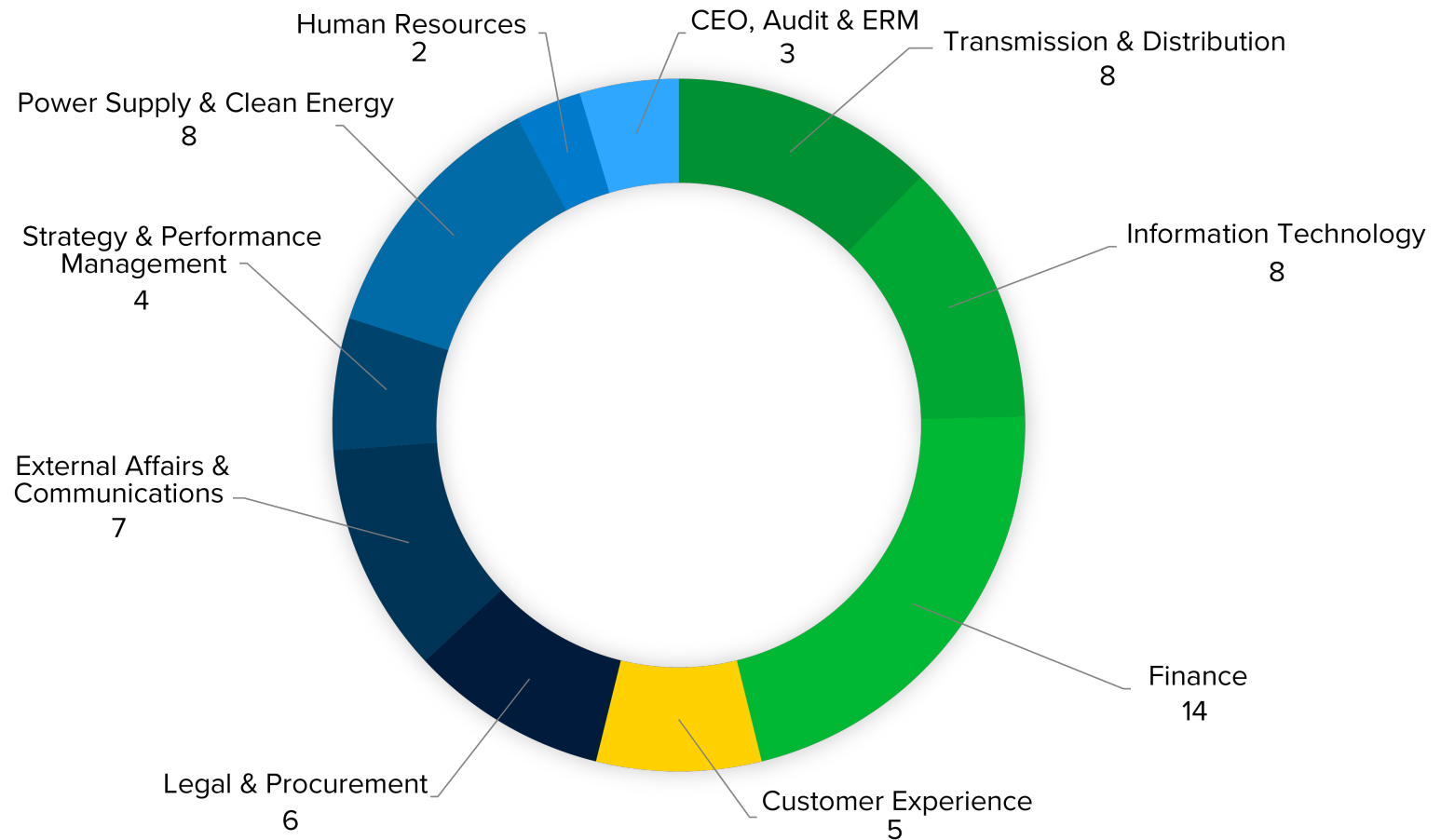
To read the full plan, [click here](#).

LIPA'S 2023 WORK PLAN PROJECTS

- In addition to day-to-day activities, the 2023 Work Plan included **65 projects** undertaken by LIPA staff covering all aspects of delivering clean, reliable, and customer-first service. LIPA routinely adjusts projects throughout the year as circumstances and priorities emerge and change.

Please refer to the 2024 Work Plan Report for more information on 2023 project accomplishments.

2023 Work Plan Projects by Function



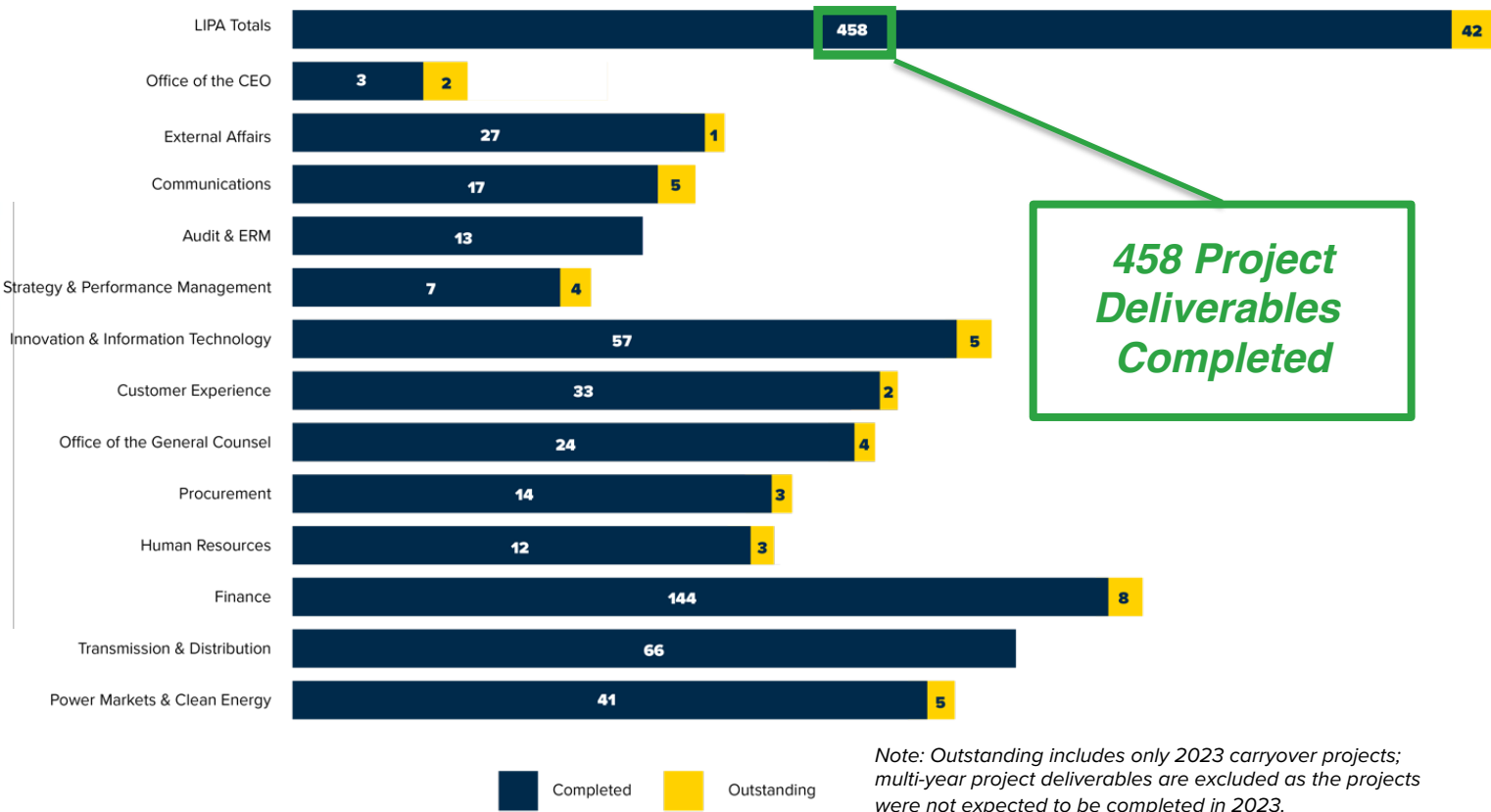
2023 WORK PLAN PROJECT STATUS

- There were over **500 deliverables** associated with LIPA’s 2023 Work Plan projects, of which 458 were completed as of the beginning of January 2024 and 42 remain to be closed out in 2024.

2023 Work Plan Project Breakdown

Total Projects	65
Projects Completed	39
Projects In-Progress (Multi-Year)	15
Projects In-Progress (Carryover)	8
Projects Canceled	1
Projects Deferred	2

2023 Work Plan Deliverable Breakdown

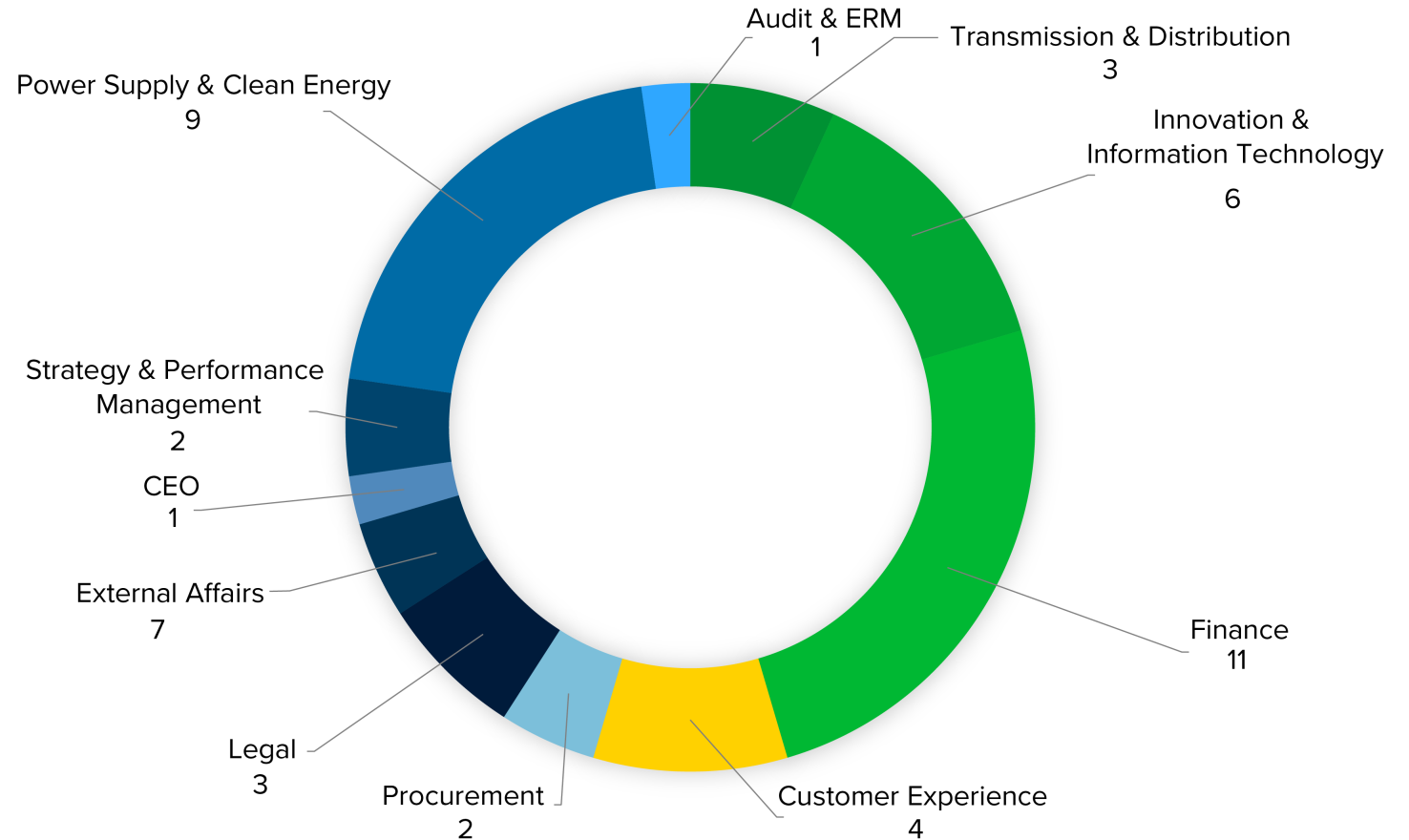


2024 WORK PLAN PROJECTS

- In addition to other responsibilities summarized in the Work Plan, the 2024 Work Plan has **48 projects** undertaken directly by LIPA staff in areas covering all aspects of delivering clean, reliable, and customer-first service to LIPA customers.

Please refer to the 2024 Work Plan Report for more details on 2024 Work Plan projects.

2024 Work Plan Projects by Function



LIPA STAFFING AND RESOURCES

- LIPA oversees and is ultimately responsible for over **\$15 billion** of assets and **\$4.2 billion** of annual revenues for our customers.
- LIPA's budgeted positions for 2024 include **89 full-time and 5 part-time employees**, an increase of **8 positions** as compared to 2023.
- **18 positions** are authorized but vacant.
- LIPA's 2024 Budget for its staff, consultants, and outside service providers is approximately **\$47 million**, or approximately **1.1%** of LIPA's 2024 revenue requirements of \$4.2 billion.

LIPA Department	LIPA Staffing and Budget	Scope of Service Providers Overseen
Transmission and Distribution	<ul style="list-style-type: none"> • Positions – 10 (-1 vs. 2023) • O&M Budget – \$3.1 million • Most positions PSEG oversight 	<ul style="list-style-type: none"> • Positions – 1,984 employees and contractors • Budget – \$903.6 million • 2024 Performance Metrics: 22
Customer Experience	<ul style="list-style-type: none"> • Positions – 5 (+2 vs. 2023) • O&M Budget – \$1.0 million • Most positions PSEG oversight 	<ul style="list-style-type: none"> • Positions – 650 • Budget – \$115.1 million • 2024 Performance Metrics: 15
Power Supply and Clean Energy	<ul style="list-style-type: none"> • Positions – 6 (flat vs. 2023) • O&M Budget – \$2.6 million • Positions cover LIPA operations and PSEG oversight 	<ul style="list-style-type: none"> • PSEGLI Positions – 127 • National Grid and other positions (est.) – 500+ • 2024 Performance Metrics: 6 plus 15 PSEG ER&T • 8,500 MW of generation/transmission contracts • Power Supply Budget – \$2 billion
Office of the COO – IT	<ul style="list-style-type: none"> □ Positions – 11 (+2 vs. 2023) □ O&M Budget – \$11.5 million □ Capital Budget – \$9 million □ Most positions dedicated to LIPA operations 	<ul style="list-style-type: none"> • Positions – 434 employees and contractors • Budget – \$206.9 million • 2024 Performance Metrics: 9
Office of the COO – Strategy, and Performance	<ul style="list-style-type: none"> □ Positions – 5 (+2 vs. 2023) □ O&M Budget – \$3 million 	<ul style="list-style-type: none"> • NA

LIPA STAFFING AND RESOURCES (CONT.)

LIPA Department	LIPA Staffing and Budget	Scope of Service Providers Overseen
Finance	<ul style="list-style-type: none"> Positions – 21 FTEs & 3 PTEs (-2 FTE vs. 2023) O&M Budget – \$8.7 million Most positions dedicated to LIPA operations 	<ul style="list-style-type: none"> Positions – 61 Budget – \$7.5 million 2024 Performance Metrics: 7
Office of the General Counsel – Legal	<ul style="list-style-type: none"> Positions – 8 (+1 vs. 2023) O&M Budget – \$6.3 million Most positions dedicated to LIPA operations 	<ul style="list-style-type: none"> Positions – 32, supplemented by contractors and PSEG affiliates Budget – \$10.1 million 2024 Performance Metrics: 1
Office of the General Counsel – HR and Administration	<ul style="list-style-type: none"> Positions – 7 (+1 vs. 2023) O&M Budget – \$2.4 million Capital Budget – \$1.0 million Most positions dedicated to LIPA operations 	<ul style="list-style-type: none"> Positions – 28 employees and PSEG affiliates Budget – \$11.1 million 2024 Performance Metrics: 1
Office of the General Counsel – Procurement	<ul style="list-style-type: none"> Positions – 3 (+1 vs. 2023) O&M Budget – \$0.4 million Most positions dedicated to LIPA operations 	<ul style="list-style-type: none"> Positions – 30 FTEs Budget – \$5.5 million 2024 Performance Metrics: none

LIPA STAFFING AND RESOURCES (CONT.)

LIPA Department	LIPA Staffing and Budget	Scope of Service Providers Overseen
Office of the CEO -- External Affairs	<ul style="list-style-type: none"> Positions – 3 FTEs and 1 PTE (+1 vs. 2023) Budget – \$0.8 million Positions cover LIPA operations and PSEG oversight 	<ul style="list-style-type: none"> Positions – 17 FTEs Budget – \$1.9 million 2024 Performance Metrics: none
Office of the CEO -- Communications	<ul style="list-style-type: none"> Positions – 4 FTEs (+1 vs. 2023) Budget – \$1.2 million Positions cover LIPA operations and PSEG oversight 	<ul style="list-style-type: none"> Positions – 9 FTEs Budget – \$1.4 million (excludes marketing and advertising of ~\$10 million) 2024 Performance Metrics: none
Office of the CEO -- ERM	<ul style="list-style-type: none"> Positions – 1 FTEs and 1 PTE (flat vs. 2023) Budget – \$0.4 million Positions cover LIPA operations and PSEG oversight 	<ul style="list-style-type: none"> Positions – 2 FTEs Budget – \$0.3 million 2024 Performance Metrics: none
Office of the CEO -- Internal Audit	<ul style="list-style-type: none"> Positions – 5 FTEs (flat vs. 2023) Budget – \$1.9 million Positions cover LIPA operations and PSEG oversight 	<ul style="list-style-type: none"> Positions – 6 FTEs Budget – \$1.0 million 2024 Performance Metrics: none

LIPA STAFFING AND RESOURCES (CON'T)

LIPA supplements its staff with consultants and outside service providers:

- for specialized skills needed for a short duration
- where an independent opinion is particularly valued
- where we are required to have an independent third-party
- staff supplementation (e.g., vacancies, short-term needs)

The 2024 Work Plan has estimated consulting costs of **\$4.5 million**

Department	Oversight of PSEGLI, ER&T, Power Supply Vendors	2024 LIPA Work Plan Projects	LIPA Operational Support & Services	Budget Total	LIPA Operational Support & Services Description
Transmission & Distribution	\$250,000	\$400,000	\$600,000	\$1,250,000	
Customer Experience	\$300,000	\$150,000	\$0	\$450,000	
Power Supply and Clean Energy	\$700,000	\$1,075,000	\$0	\$1,775,000	
Innovation and Information Technology	\$3,200,000	\$1,150,000	\$3,511,593	\$7,861,593	Staff support, help desk, network administration, cybersecurity, and product support
Strategy and Performance Office	\$200,000	\$650,000	\$773,000	\$1,623,000	
Finance	\$500,000	\$410,000	\$4,182,000	\$5,092,000	Auditors, actuaries, investment and financial advisors, etc.
Legal	\$0	\$0	\$4,520,000	\$4,520,000	Outside legal counsel
Human Resources & Administration	\$0	\$105,000	\$1,295,000	\$1,400,000	Recruitment and employee support and training
Procurement	\$0	\$125,000	\$0	\$125,000	
Office of the CEO	\$0	\$375,000	\$0	\$375,000	
External Affairs	\$0	\$30,000	\$0	\$30,000	
Communications	\$0	\$0	\$150,000	\$150,000	
Enterprise Risk Management	\$0	\$0	\$0	\$0	
Internal Audit	\$0	\$0	\$1,250,000	\$1,250,000	
Corporate	\$0	\$0	\$1,764,078	\$1,764,078	Corporate rebid process, financial advisors
Total	\$5,150,000	\$4,470,000	\$18,045,671	\$27,665,671	

Project budget estimates are for consultant costs and do not include internal staff costs.



2024 Work Plans By Department

TRANSMISSION & DISTRIBUTION – 2024 WORK PLAN

- For 2024, T&D is proposing **four (4) Work Plan projects**:
 - **Implement Effective Use of the CUE Library** - Improve visibility and accuracy of unit costs, estimating, budgeting and cost tracking of T&D work efforts through enhanced Policies and Practices for PSEG Long Island's Compatible Unit Estimating (CUE) Library. Estimated Consultant Budget \$250,000.
 - **Implement Physical Security Enhancements to LIPA's Facilities & Assets** - Develop and implement a physical security program to enhance the utility's physical security posture.
 - **Develop a Climate Resiliency Plan** - Develop a Climate Resiliency Plan that will drive improvements to reduce the duration of power outages by at least 15% over the next five years.
 - **Enhance PSEG Long Island Emergency Response Plan, Business Continuity Plans, and Functional Exercises** - Make targeted improvements to PSEGLI's ERP, ERIP/BCPs, and Functional Exercises to enhance emergency preparedness. Estimated Consultant Budget \$150,000.

CUSTOMER EXPERIENCE – 2024 WORK PLAN

- For 2024, Customer Experience is proposing **four (4) Work Plan projects**:
 - **Advance Customer Analytics** - Advance LIPA's access to and understanding of operational and customer experience data to improve overall insight into PSEG Long Island's day-to-day operations and performance beyond OSA metrics. Estimated Consultant Budget \$50,000.
 - **Evaluate Customer Experience and Business Solution Staff Structure** - Review the Customer Experience and Business Solution organizational structures as measured against industry benchmarks to ensure the most effective use of staff and customer funds.
 - **Assess Contact Center Improvement Plan & TOD Impacts** - Monitor and assess effectiveness of the Contact Center Service Improvement Plan and impacts of the Time-of-Day rate program to continue improving the PSEG Long Island partnership, improve contact center performance, and ensure appropriate staffing for TOD in 2025. Estimated Consultant Budget \$100,000.
 - **Meter Inventory Management Redesign** - Complete 2023 Work Plan by completing the sale of excess meters based on optimal inventory levels.

POWER SUPPLY & CLEAN ENERGY – 2024 WORK PLAN

- For 2024, PS&CE is proposing **nine (9) Work Plan projects**:
 - **Meet LIPA's Share of State Battery Storage Goal for 2025 and 2030** - This continues LIPA's 2023 Work Plan project. Meet LIPA's Share of State Battery Storage Goal for 2025 and 2030, which is a key element for meeting the CLCPA goal of a decarbonized electric grid by 2040.
 - **Plan for CRIS Rights and Power Supply Agreement Extension Beyond 2028** - This is the next phase of LIPA's 2023 Work Plan project. Execute a strategy to maximize the value of CRIS rights at legacy generation sites, including negotiations with National Grid. Develop the form of contract and desired terms for contract extension negotiation with National Grid. Estimated Consultant Budget \$150,000.
 - **Develop Large Generator (>20MW) Interconnection Status Tracking System with NYISO and Transmission Owners** - This is the continuation of LIPA's 2023 Work Plan project. Develop status tracking system for large generator (>20MW) interconnection requests to provide greater internal visibility. Review and implement business process improvements.
 - **Develop an EV Infrastructure Tactical Implementation Strategy** - Develop a tactical plan for EV infrastructure guided by the 5-year clean energy roadmap and EV 2024 metric PS&CE-14 to forecast and plan the system. Estimated Consultant Budget \$500,000.

POWER SUPPLY & CLEAN ENERGY –2024 WORK PLAN

- 2024, PS&CE Work Plan projects, cont.:
 - **Implement the Long Island Clean Energy Hub** - This is the continuation of LIPA's 2023 Work Plan project. Implement Long Island's Clean Energy Hub in partnership with NYSERDA and regional partners to centralize an information hub about LIPA's programs, policies, and activities with consistent messaging and accuracy.
 - **Meet New Clean Energy Reporting Objectives** - Create a clean energy dashboard to monitor program progress towards clean energy goals, inform the IV&V processes, and support the annual DAC reporting process. Estimated Consultant Budget \$175,000.
 - **Plan for New Power Supply and Fuel Management Contract Beginning January 2026** - This is the next phase of LIPA's 2023 Work Plan project. Prepare for the Power Supply and Fuel Management Contract expiration on 12/31/2025 by executing a New Power Supply and Fuel Management Contract. Estimated Consultant Budget \$250,000.
 - **Develop Commercial Community Storage Incentive Plan** - Develop a Commercial "Community Storage" program to meet LIPA's retail storage objectives in preparation for a 2025 rollout to meet the goals of New York's storage roadmap.
 - **Complete Integrated Resource Plan** - This continues LIPA's 2023 Work Plan project. The remaining task is to conduct public hearings and obtain Board approval for the 2023 IRP.

OFFICE OF THE COO – 2024 WORK PLAN

- For 2024, DoIT is proposing **six (6) Work Plan projects**:
 - **Conduct 2023 Appraisal of PSEG Long Island IT Organization CMMI Maturity Level** - Appraisal of PSEG Long Island IT CMMI Maturity Level by a LIPA consultant, as required by the 2023 IT Organizational Maturity metric. Estimated Consultant Budget \$100,000.
 - **Conduct 2024 Benchmark Appraisal of PSEG Long Island IT Organization CMMI Maturity Level** - Benchmark Appraisal of PSEG Long Island IT Organization CMMI Maturity Level by a LIPA consultant, as required by the 2024 IT Organizational Maturity metric. Estimated Consultant Budget \$100,000.
 - **Conduct Assessment of PSEG Long Island Business Continuity and Disaster Recovery Program** - Assessment of PSEG Long Island resiliency program by a LIPA-engaged consultant, as required by PSEG Long Island Performance Metrics IT-03 and IT-10. Estimated Consultant Budget \$250,000.
 - **Conduct 2024 Review of PSEG Long Island Cyber Security** - Conduct review of PSEG Long Island's Cyber Security for 2024 to ensure compliance with the cyber security default performance metric. Estimated Consultant Budget \$300,000.

OFFICE OF THE COO – 2024 WORK PLAN

- 2024 DoIT Work Plan projects, cont.:
 - **Conduct Assessment of PSEG Long Island Ransomware Readiness and Response** - Current-state assessment by an independent LIPA consultant of PSEG Long Island's Ransomware Readiness and Response , as required by PSEG Long Island Performance Metrics IT-09. Estimated Consultant Budget \$300,000.
 - **LIPA Crisis Management Plan Program Improvements** - Enhance LIPA's readiness to execute its Crisis Management Plan. Estimated Consultant Budget \$100,000. (Estimated Hardware \$100,000)
- For 2024, the SPMO is proposing **two (2) Work Plan projects**:
 - **Develop the Framework for Independent Verification and Validation (IV&V) and Performance Management** - Establish an IV&V Framework, including standards for Service Provider deliverables and overall performance management within the organization. Estimated Consultant Budget \$300,000.
 - **Development of Strategic Roadmaps** - Development of 5-Year Strategic Roadmaps to advance Board Policies for Power Supply, Clean Energy Programs, and Business Services. Estimated Consultant Budget \$350,000.

FINANCE – 2024 WORK PLAN

- For 2024, Finance is proposing **eleven (11) Work Plan projects**:
 - **Integrate Procurement Process and Accounting for Subscription Based Information Technology Arrangements (SBITAs)** - Create a process with PSEG Long Island accounting and procurement teams for tracking and creating an inventory of SBITAs to ensure accordance with the newly effective Governmental Accounting Standard (GASB) No. 96. Estimated Consultant Budget \$60,000.
 - **Enhance Development and Monitoring of Operating and Capital Budgets** - Continue to improve the development and monitoring of the Operating and Capital Budgets to improve optimization of limited resources and ensure rates are set at the lowest possible level required to maintain the system.
 - **Conduct a Cost-of-Service Study** - Update the cost-of-service (COS) study to ensure an accurate basis supporting LIPA's rate design and pricing practices. Estimated Consultant Budget \$200,000.
 - **Complete Rate Design and Tariff Filing for Offshore Wind (PPTN)** - To realize fair cost recovery for capital invested, prepare and file the rate design and FERC Tariff Filing for the Offshore Wind Public Policy Transmission Needs (PPTN) project. Estimated Consultant Budget \$100,000.

FINANCE – 2024 WORK PLAN

- 2024 Finance Work Plan projects, cont.:
 - **Execute Commercial Rate Design for 2024** – Execute LIPA's commercial rate design strategy for 2024, which was established by a 2023 Work Plan Project.
 - **Develop Data Infrastructure for Rates Department** - Build the data infrastructure necessary to support a more sophisticated rate analysis and design using AMI data.
 - **Storm Cost Management and Billing Process Review** - Conclude the 2023 Work Plan Project by implementing recommendations. The 2023 project conducted an end-to-end review of LIPA and PSEG Long Island's business processes for storm cost management and billing for Storm Events, as defined in Appendix 5.3B of the 2nd A&R OSA. This included division of responsibilities between LIPA and PSEG Long Island; policies and practices; staffing, responsibilities, and capabilities; and Information Technology (IT) utilized in cost management, review, and billing before during and after a storm.

FINANCE – 2024 WORK PLAN

- 2024 Finance Work Plan projects, cont.:
 - **Execute an Energy Prepay Transaction** - Continue with this multi-year project to execute an Energy Prepay Transaction to reduce power supply costs using tax exempt debt. In 2024, implement changes to NYISO's billing system and obtain AG and OSC approval of the prepay contracts. Execute a prepay based on market conditions.
 - **Complete Affiliate Services Remediation Plans** - Review processes and services that PSEG Long Island obtains through affiliates, pursuant to PSEG Long Island Performance Metric BS-07.
 - **Complete an Insurance Optimization Study** - Complete Phase II and III of an optimization study of LIPA's insurance program, including seeking legislation for a self-directed insurance program. Estimated Consultant Budget \$50,000.
 - **Closeout Sandy FEMA Grant Claim** - Ensure the Federal Emergency Management Agency (FEMA) has completed all the applicable administrative actions and all required work of the Superstorm Sandy Federal award have been completed (completion of the grant life cycle) to obtain the final funds due to LIPA for hazard mitigation work performed.

OFFICE OF GENERAL COUNSEL: LEGAL – 2024 WORK PLAN

- For 2024, Legal is proposing **three (3) Work Plan projects**:
 - **Complete LIPA/LILCO Merger** – Complete the merger of Long Island Lighting Company into LIPA to reduce administrative and disclosure requirements.
 - **Implement DPS Management Audit Recommendations** – Finalize the DPS management audit and, with internal audit and subject matter experts, coordinate the development of the management action plans responsive to final recommendations.
 - **Update LIPA's Standard Consulting Agreement** - Update LIPA's standard consulting agreement with improvements identified in 2023 and create a resource of previously negotiated terms.

OFFICE OF GENERAL COUNSEL – 2024 WORK PLAN

- For 2024, Human Resources is proposing **one (1) Work Plan project**:
 - **Complete Compensation Benchmarking Study** – In 2024, the HR function will complete the remaining scope of work from the 2023 project. The vendor will review the current legacy job architecture (e.g., job levels, job families, etc.) to understand the organization and develop a summary report of outcomes, which may include career pathing recommendations. A market analysis will be conducted, salary structures will be created, and a review of the performance and retention incentives will be completed. Estimated Consultant Budget \$105,000.
- For 2024, Procurement is carrying over the **two (2) Work Plan projects from 2023**:
 - **Enhance LIPA Procurements** - In 2024, Procurement will complete the remaining scope of work from the 2023 project. Procurement will be finalizing the development of a procedure manual outlining the procurement process and the execution of the vendor marketing plan, including incorporating vendor pre-marketing as a standard RFP/RFQ practice.
 - **Review PSEG Long Island's Procurement Life Cycle** - In 2024, Procurement will complete the remaining scope of work from the 2023 project. In Phase 2, the consultant retained by LIPA will review PSEG Long Island's procurement policies, procedures, and practices to compare them with industry best practices and identify areas for improvement. Estimated Consultant Budget \$125,000.

OFFICE OF THE CEO - 2024 WORK PLAN

- For 2024, The Office of the CEO is proposing **one Work Plan project**:
 - **Execute New Service Provider Contract Beginning January 2026** - Prepare for the expiration of the Service Provider contract on 12/31/2025 by executing new contracts. Estimated Consultant Budget \$375,000.
- For 2024, External Affairs is proposing **three (3) Work Plan projects**:
 - **Create the History of LIPA** - Create the collective history of Long Island's electric grid. Estimated Consultant Budget \$30,000.
 - **Update Jones Beach Exhibits** - Update Jones Beach Energy & Nature Center Exhibits to create a more engaging environment and provide a roadmap to the renewable energy future of NYS.
 - **Implement Community College Partnerships for Workforce Development** - Expand the LIPA Scholarship Program to establish certificate program(s) with Nassau County Community College, PSEG Long Island, Suffolk County Community College, and IBEW 1049 to expand workforce opportunities and attract qualified, diverse talent.

OFFICE OF THE CEO - 2024 WORK PLAN

- For 2024, Communications is carrying over **one, (1) Work Plan project**:
 - **Update LIPA's Brand Strategy** – Complete the project to create updated brand materials (logo, website, publications, templates) by completing the style guide and rolling out new templates.
- For 2024, Enterprise Risk Management is proposing **one (1) Work Plan project**:
 - **Implement Enterprise Risk Management Strategic Roadmap** - Track objectives and deliverables of the Enterprise Risk Management Roadmap for 2024, including embedding Enterprise Risk Management into business processes, incorporating Enterprise Risk Management into strategic planning, improving measurement effectiveness of mitigation actions, improving the management of emerging risks, fostering risk awareness and engaging in benchmarking for continuous improvement.



Key Stats

TRANSMISSION & DISTRIBUTION – KEY STATS

Department	LIPA	PSEG Long Island*
Transmission and Distribution (primarily related to oversight)	<ul style="list-style-type: none"> Positions – 10 (-1 vs. 2023) Vacant – 4 2024 O&M Budget – \$3.1 million 	<ul style="list-style-type: none"> Positions – 1,584 employees and 400 full-time contractors 2024 O&M budget – \$229.8 million 2024 Capital Budget – \$673.8 million

Department	Performance Metrics	Budget
	Propose annual Performance Metrics, Conduct IV&V of PSEG Long Island’s performance under each metric.	Line-item and project-level review of PSEG Long Island’s budget proposals.
Transmission and Distribution	2023 – 42 T&D metrics 2024 – 22 T&D metrics	Resulting reductions to 2024 T&D Budget request: <ul style="list-style-type: none"> ➤ O&M – \$27.5 million (11%) ➤ Capital – \$48.0 million (7%)

**PSEG Long Island’s O&M Budgets exclude fringe costs, Capital Budgets include pending project authorizations*

CUSTOMER EXPERIENCE – KEY STATS

Department	LIPA	PSEG Long Island*
Customer Experience (primarily related to oversight)	<ul style="list-style-type: none"> Positions – 5 (+2 vs. 2023) Vacant – 2 2024 O&M Budget – \$1.0 million 	<ul style="list-style-type: none"> Positions – 650 employees (<i>excludes the Energy Efficiency group</i>) 2024 O&M budget – \$106.9 million 2024 Capital Budget – \$8.2 million

Department	Performance Metrics	Budget
	Propose annual Performance Metrics, Conduct IV&V of PSEG Long Island's performance under each metric.	Line-item and project-level review of PSEG Long Island's budget proposals.
Customer Experience	2023 – 22 Customer Experience metrics 2024 – 15 Customer Experience metrics	Resulting reductions to 2024 Customer Service and Customer Technology Budget request: <ul style="list-style-type: none"> ➤ O&M – \$12.8 million (11%) ➤ Capital – \$4.4 million (36%)

**PSEG Long Island's O&M Budgets exclude fringe costs, Capital Budgets include pending project authorizations*

POWER SUPPLY & CLEAN ENERGY – KEY STATS

Department	LIPA	Service Providers*
Power Supply and Clean Energy (includes LIPA operations and oversight)	<ul style="list-style-type: none"> Positions – 6 (flat vs. 2023) Vacant – 1 2024 O&M Budget – \$2.6 million 	<ul style="list-style-type: none"> PSEG Long Island positions – 127 National Grid and other contract positions (est.) – 500+ PSEG Long Island 2024 O&M Budget – \$127.9 million PSEG Long Island 2024 Capital Budget – \$10.8 million 5,500 MW of generation and 3,000 MW of transmission contracts Total Power Supply O&M Budget – \$2 billion

Department	Performance Metrics	Budget
	Propose annual Performance Metrics, Conduct IV&V of PSEG Long Island's performance under each metric.	Line-item and project-level review of PSEG Long Island's budget proposals.
Power Supply and Clean Energy (including Utility 2.0)	<ul style="list-style-type: none"> 2023 – 8 PS&CE metrics 2024 – 6 PS&CE metrics 15 PSEG ER&T metrics under a separate contract 	Resulting reductions to 2024 Power Supply Budget request: <ul style="list-style-type: none"> ➤ O&M – -\$0.8 million (-1%) ➤ Capital – \$0.9 million (8%)

**PSEG Long Island's O&M Budgets exclude fringe costs, Capital Budgets include pending project authorizations*

OFFICE OF THE COO – KEY STATS

Department	LIPA	PSEG Long Island*
Innovation and Information Technology (includes LIPA operations and oversight)	<ul style="list-style-type: none"> Positions – 11 (+2 vs. 2023) Vacant – 1 2024 O&M Budget – \$11.5 million 2024 Capital Budget – \$9.0 million 	<ul style="list-style-type: none"> Positions – 184 (FTEs), supplemented by over 250 contractors and consultants supplemented by employees of PSEG affiliate companies 2024 O&M Budget – \$96.8 million 2024 Capital Budget – \$110.1 million
Strategy and Performance Office	<ul style="list-style-type: none"> Positions – 5 (+2 vs. 2023); Vacant – 2 2024 O&M Budget - \$3 million 	Not applicable

Department	Performance Metrics	Budget
Innovation and Information Technology	2023 – 7 IT and Cyber metrics 2024 – 9 IT and Cyber metrics	Resulting reductions to 2024 IT and Cyber Budget requests: <ul style="list-style-type: none"> ➤ O&M – \$26.3 million (21%) ➤ Capital – \$41.1 million (29%)

FINANCE – KEY STATS

Department	LIPA	PSEG Long Island*
Finance (Primarily dedicated to LIPA operations)	<ul style="list-style-type: none"> Positions – 21 FTEs & 3 PTEs (-2 FTE vs. 2023) Vacant – 2 2024 O&M Budget – \$8.7 million 	<ul style="list-style-type: none"> Positions – 61 employees (FTEs) 2024 O&M budget – \$7.5 million

Department	Performance Metrics	Budget
	Propose annual Performance Metrics, Conduct IV&V of PSEG Long Island's performance under each metric.	Line-item and project-level review of PSEG Long Island's budget proposals.
Finance	2023 – 4 Finance metrics 2024 – 7 Finance metrics	<i>No significant changes to Finance O&M Budget</i>

**PSEG Long Island's O&M Budgets exclude fringe costs, Capital Budgets include pending project authorizations*

OFFICE OF GENERAL COUNSEL: LEGAL – KEY STATS

Department	LIPA	PSEG Long Island*
Office of the General Counsel – Legal (primarily related to LIPA’s operations)	<ul style="list-style-type: none"> Positions – 8 (+1 vs. 2023) Vacant – 1 2024 O&M Budget – \$6.3 million 	<ul style="list-style-type: none"> Positions – 32 FTEs, supplemented by contractors and PSEG-affiliated companies 2024 O&M budget – \$10.1 million
Human Resources and Administration (primarily related to LIPA’s operations)	<ul style="list-style-type: none"> Positions – 7 (+1 vs. 2023) Vacant – 1 2024 O&M Budget – \$2.4 million 2024 Capital Budget – \$1.0 million 	<ul style="list-style-type: none"> Positions – 28 employees and 13 employees of PSEG affiliated companies based in New Jersey 2024 O&M budget – \$11.1 million
Procurement (primarily related to LIPA’s operations)	<ul style="list-style-type: none"> Positions – 3 (+1 vs. 2023) Vacant – 1 2024 O&M Budget – \$0.4 million 	<ul style="list-style-type: none"> Positions – 30 FTEs 2024 O&M budget – \$5.5 million

**PSEG Long Island’s O&M Budgets exclude fringe costs, Capital Budgets include pending project authorizations*

OFFICE OF GENERAL COUNSEL: LEGAL – KEY STATS

Department	Performance Metrics	Budget
	Propose annual Performance Metrics, Conduct IV&V of PSEG Long Island's performance under each metric.	Line-item and project-level review of PSEG Long Island's budget proposals.
Legal	2023 – 0 Legal metrics 2024 – 1 Legal metric	Resulting reductions to 2024 Budget request across Business Services departments (External Affairs, HR, Procurement, Legal, etc.) ➤ O&M – \$9.6 million (13%)
Human Resources and Administration	2023 – 1 HR metric 2024 – 1 HR metric	
Procurement	2023 – 0 Procurement metrics 2024 – 0 Procurement metrics	

OFFICE OF THE CEO – KEY STATS

Department	LIPA	PSEG Long Island*
External Affairs	<ul style="list-style-type: none"> Positions – 3 FTEs and 1 PTE (+1 vs. 2023) Vacant – 1 2024 O&M Budget – \$0.8 million 	<ul style="list-style-type: none"> Positions – 17 FTEs 2024 O&M budget – \$1.9 million
Communications	<ul style="list-style-type: none"> Positions – 4 (+1 vs. 2023) Vacant – 2 2024 O&M Budget – \$1.2 million 	<ul style="list-style-type: none"> Positions – 9 FTEs 2024 O&M budget – \$1.4 million (<i>excludes marketing and advertising ~\$10 million</i>)
Enterprise Risk Management	<ul style="list-style-type: none"> Positions – 1 FTE and 1 PTE (flat vs. 2023) Vacant – 0 2024 O&M Budget – \$0.4 million 	<ul style="list-style-type: none"> Positions – 2 FTEs 2024 O&M budget – \$0.3 million
Internal Audit	<ul style="list-style-type: none"> Positions – 5 (flat vs. 2023) Vacant – 0 2024 O&M Budget – \$1.9 million 	<ul style="list-style-type: none"> Positions – 6 FTEs 2024 O&M budget – \$1.0 million

**PSEG Long Island's O&M Budgets exclude fringe costs, Capital Budgets include pending project authorizations*

OFFICE OF THE CEO – KEY STATS

Department	Performance Metrics	Budget
	Propose annual Performance Metrics, Conduct IV&V of PSEG Long Island’s performance under each metric.	Line-item and project-level review of PSEG Long Island’s budget proposals.
External Affairs	2023 – 1 External Affairs metric 2024 – 0 External Affairs metrics	Resulting reductions to 2024 Budget request across Business Services departments (External Affairs, HR, Procurement, Legal, etc.) ➤ O&M – \$9.6 million (13%)
Communications	2023 – 4 Communications metrics 2024 – 0 Communications metrics	
Enterprise Risk Management	2023 – 1 ERM metric 2024 – 0 ERM metrics	
Internal Audit	2023 – 0 Internal Audit metrics 2024 – 0 Internal Audit metrics	



Discussion

Questions?

January 25, 2024



2024

ANNUAL WORK PLAN

Powering **What's Next** for Long Island and the Rockaways.

At LIPA,



the Power is **Yours.**TM

Proudly serving Long Island and the Rockaways.



About LIPA

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

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

LIPA is the owner of the electrical transmission and distribution system serving our community; however, since buying the Long Island Lighting Company in 1998, we have contracted for most of the management services and power supply used to operate our electric grid. Since 2014, LIPA has contracted with PSEG Long Island for management services, and LIPA has provided service to customers under the PSEG Long Island brand name.

The LIPA Board of Trustees is committed to publicly reporting on our performance and, at the direction of New York State Governor Kathy Hochul, has adopted and published a Transparency Plan to carry out the Board’s Policy on Responsiveness and Integrity. Several documents are available to our customers and stakeholders to assist in evaluating LIPA’s objectives and performance each year, including the Board’s policies on strategic direction (summarized herein under Key Policy Objectives), quarterly and annual reports on PSEG Long Island’s Performance Metrics, and this annual Work Plan report. Each of these documents are available to the public at lipower.org/purpose.

Fast Facts

Customers

Residential Customers: 1,026,143
Commercial Customers: 133,597

Energy Requirements

19,884,053 megawatt-hours

Generating Capacity

~5,550 MW

2023 Peak Demand

~5,000 MW

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: \$905 Million



Board of Trustees

LIPA is governed by a local Board of Trustees. The Board supervises, regulates, and sets policy for LIPA, and leads Long Island's transition to a clean energy future.

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 in our service territory and have relevant utility, corporate board, or financial experience. Trustees are not compensated for their service.



Tracey Edwards
Chair



Valerie Anderson Campbell
Trustee



Laureen Harris
Trustee



Claudia Lovas
Trustee



Dominick Macchia
Trustee



Mili Makhijani
Trustee



David Manning
Trustee



Vanessa Baird-Streeter
Trustee

Executive Management

The LIPA team is proud to serve our customers. 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



Dennis Anosike
Chief Financial Officer



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



Billy Raley
Senior Vice President,
Transmission and Distribution



Werner Schweiger
Executive Advisor for Operations



Gary Stephenson
Senior Vice President of
Power Supply



Donna Mongiardo, CPA
Vice President, Controller



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



Jennifer Hayen
Director of Communications



Kenneth Kane
Senior Advisor for Oversight



Tom Locascio
Director of External Affairs

Our 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.



Thomas Falcone, LIPA CEO, at the one year anniversary of the Calverton Solar Energy Center in July 2023.

LIPA's Strategic Objectives



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



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, and emergency restorations



Clean Energy

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



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



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



Fiscal Sustainability

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

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Executive Summary

The LIPA Board of Trustees provides strategic direction through a set of governance policies ([link](#)) that define LIPA's purpose and vision and set expectations for the outcomes LIPA will deliver for customers in all the major areas of performance for a utility.

The Board's strategic direction is periodically translated into 5-Year Roadmaps ([link](#)) and is further prioritized annually among specific activities, costs, and resources in LIPA's Budget, PSEG Long Island's Performance Metrics, and LIPA's Work Plans. The 2024 Budget ([link](#)) and Performance Metrics ([link](#)) are available for your review and are further described below.

LIPA's Annual Work Plan contains the specific projects that LIPA staff undertakes to fulfill the Board's strategic direction. The projects in the Work Plan go beyond day-to-day staff responsibilities and include initiatives related to LIPA's direct responsibilities, such as financing, wholesale markets policy, rates and tariffs, and legal affairs, as well as specific initiatives related to the performance management and oversight of the services provided to LIPA by PSEG Long Island, PSEG Energy Resources and Trade (ER&T), National Grid, and other providers. LIPA's Executive Committee, comprised of its senior management, meets regularly throughout the year to monitor progress on the Work Plan and reprioritize efforts and resources during the year.

LIPA staff reports on Budget performance at each Board meeting and reports to the Board quarterly on the status of PSEG Long Island's Performance Metrics and LIPA's Work Plan. Pursuant to the LIPA Reform Act, the Department of Public Service (DPS) also independently reviews LIPA's evaluation of PSEG Long Island's performance under the metrics prior to PSEG Long Island being paid Variable Compensation each year. LIPA's annual financial statements ([link](#)) are also audited each year by a certified, independent public accounting firm, KPMG, offering yet another layer of accountability and transparency. These reports are available on lipower.org.

LIPA is pleased to present this 2024 Work Plan Report, which describes 2024 Work Plan projects and 2023 accomplishments. The status of each 2023 Work Plan project and the associated deliverables is provided in **Appendix A**. Further information on the 2024 Work Plan projects is presented in **Appendix B**.

LIPA's Oversight of PSEG Long Island's Budgets

Budgets are a plan of action expressed in dollars. The development of LIPA's annual Budget starts with the Board of Trustees, who define the strategic outcomes that management is expected to deliver in the areas of reliability, customer experience, clean energy, affordability, information technology, and fiscal sustainability. 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.

LIPA's annual process of planning and budgeting draws from extensive and rigorous review to define performance metrics and make tradeoffs of costs and business benefits at the budget line-item level.

The 2024 Budget reflects months of efforts by LIPA and PSEG Long Island staff, starting with initial budget and performance metric proposals in July and August 2023, then moving to detailed line-item and project-level reviews in

August, September, and October. The process resulted in budget and performance metric proposals to the LIPA Board in November 2023, with an independent recommendation by the DPS, for the Board's consideration in December 2023, following public hearings.

PSEG Long Island has a 2024 Operations and Maintenance (O&M) Budget of \$694 million (excluding fringe costs) and a Capital Budget of \$803 million, including pending project authorizations. **LIPA's line-item and project-level review of PSEG Long Island's budget proposals for 2024 resulted in a \$75 million (11%) reduction to PSEG Long Island's O&M Budget request and a \$94 million (11%) reduction to PSEG Long Island's Capital Budget request** (see Figure 1), while fully funding inflationary increases and investing in new initiatives to meet the Board's strategic objectives.

Figure 1: LIPA's Review of PSEG Long Island's 2024 Budget Proposals

Department	Reductions to Operations and Maintenance Budget (% Budget)	Reductions to Capital Budget (% Budget)
Transmission & Distribution	\$27.5 million (11%)	\$48.0 million (7%)
Customer Experience	\$12.8 million (11%)	\$4.4 million (36%)
Power Supply and Clean Energy (including Utility 2.0)	-\$0.8 million (-1%)	\$0.9 million (8%)
Innovation and Information Technology	\$26.3 million (21%)	\$41.1 million (29%)
Business Services (External Affairs, Other)	\$9.6 million (13%)	-
Total	\$75.4 million (11%)	\$94.4 million (11%)

Overview of PSEG Long Island 2024 Performance Metrics

LIPA's reformed management contract (see [link](#)) with PSEG Long Island became effective in April 2022. The reformed contract includes \$40 million (2022 dollars, adjusted for inflation) of at-risk compensation or 51% of the total management fees paid to PSEG Long Island each year by LIPA, including:

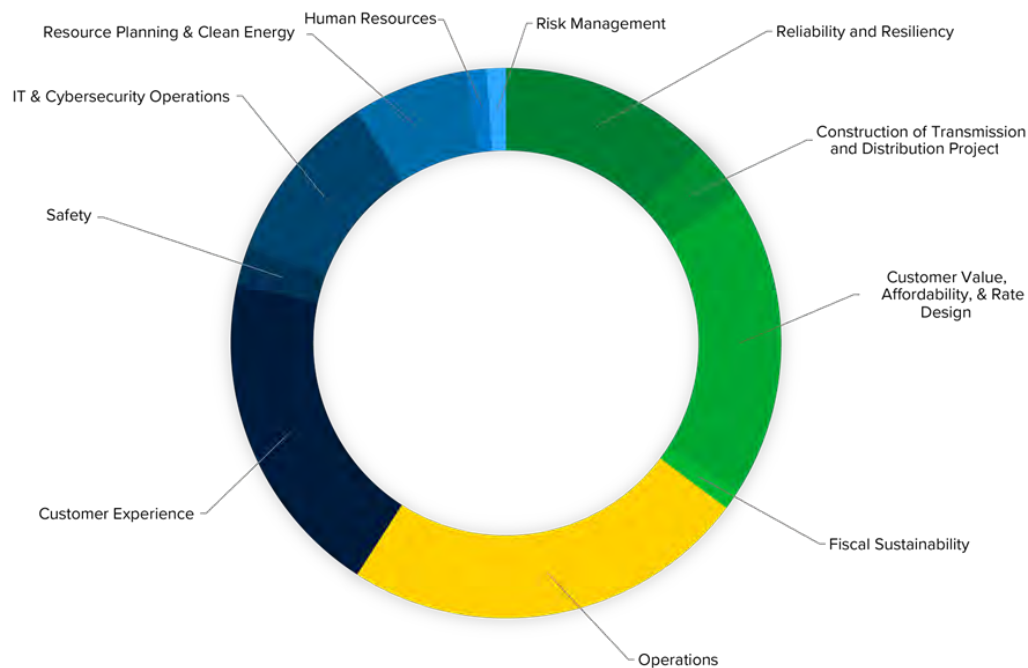
- **\$20 million of Variable Compensation** at-risk based on performance metrics set by LIPA, with an independent recommendation to the LIPA Board by DPS. These performance standards ensure that PSEG Long Island's compensation is tied to delivering meaningful results for Long Island and Rockaways electric customers.
- **\$20 million of DPS Compensation** at-risk if PSEG Long Island violates its Emergency Response Plan or fails to provide safe and adequate service, as determined by an independent DPS investigation and recommendation to the LIPA Board.

The PSEG Long Island Performance Metrics ensure that PSEG Long Island's Variable Compensation is tied to delivering meaningful results for LIPA's electric customers. These performance standards 1) advance the Board's strategic direction, as outlined in LIPA's 5-Year Strategic Roadmaps; and 2) target levels of service the Board has

established in Board policy or address identified gaps between those levels of service and the current level of service. LIPA oversees PSEG Long Island's progress toward achievement of the annual Performance Metrics on an ongoing basis.

For 2024, LIPA has established 61 performance metrics distributed across all the management services provided to LIPA and its customers by PSEG Long Island, as shown in Figure 2. The 2024 metrics were proposed by LIPA, with an independent recommendation to the LIPA Board by DPS. The Board approved these metrics at their December 2023 meeting. In addition, LIPA oversees an additional **15 metrics** for services provided by **PSEG ER&T** related to power supply bidding and fuel management under a separate contract.

Figure 2: Focus Areas for PSEG Long Island's 2024 Performance Metrics

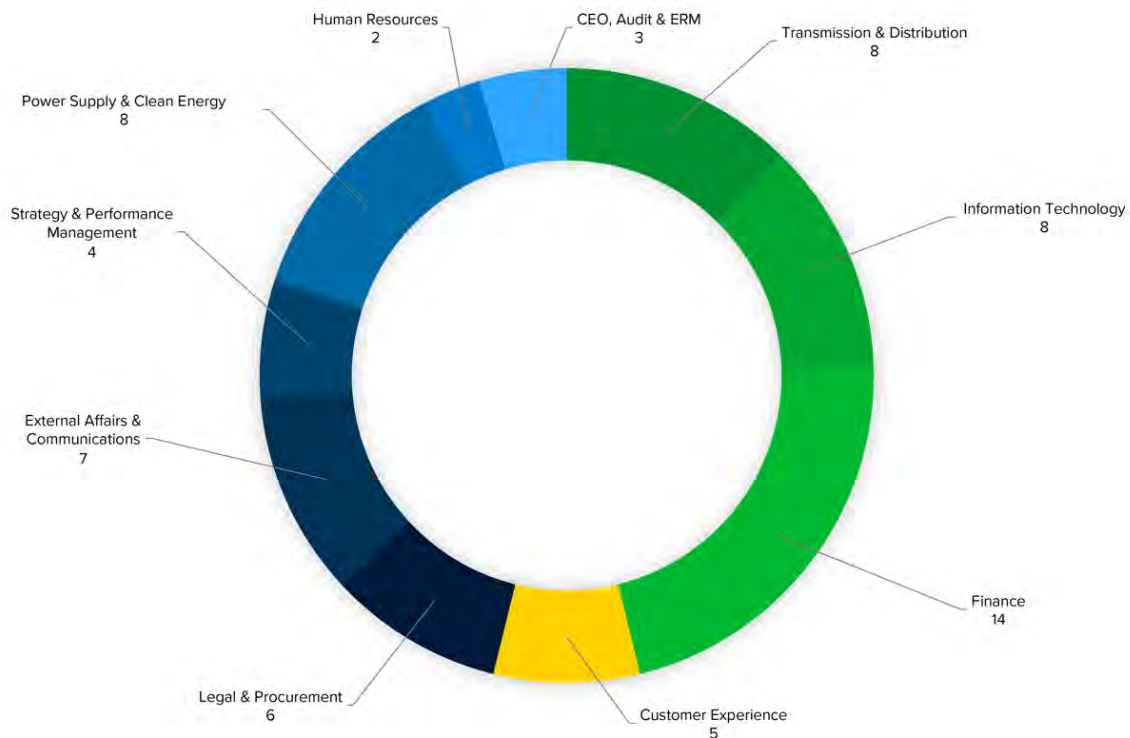


LIPA reports to the Board quarterly on the status of PSEG Long Island's performance under the metrics. Pursuant to the LIPA Reform Act, DPS also independently reviews LIPA's evaluation of the metrics prior to PSEG Long Island being paid Variable Compensation.

Overview of LIPA's 2023 Work Plan Status

The 2023 Work Plan included **65 projects** covering all aspects of delivering clean, reliable, and customer-first service (see **Figure 3**). LIPA routinely adjusts projects throughout the year as circumstances and priorities emerge and change, both adding projects and deferring or canceling projects as warranted.

Figure 3: 2023 Work Plan Projects by Function

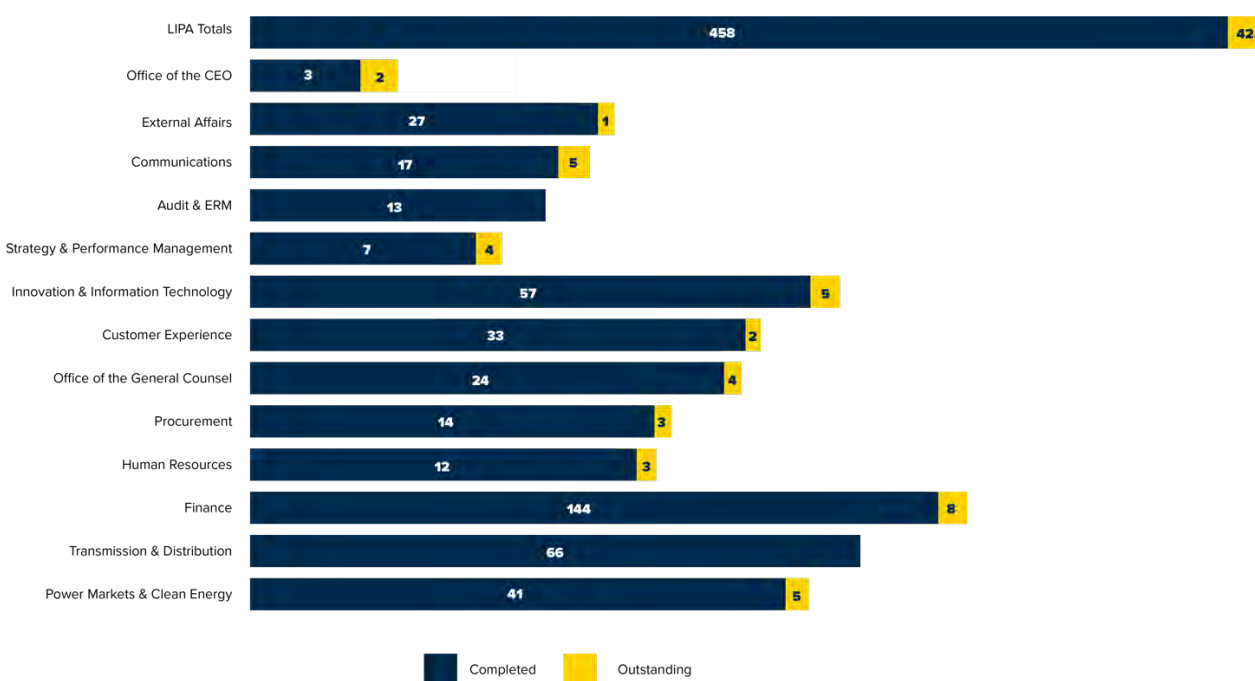


LIPA staff have completed 39 of the 2023 Work Plan Projects. Eight (8) projects were carried over to 2024, one (1) project was canceled and transitioned to a 2024 performance metric, and two (2) projects were deferred until 2025 due to competing priorities. The remaining 15 projects were multi-year initiatives planned to extend beyond 2023, as shown in **Figure 4**.

Figure 4: 2023 Work Plan Project Breakdown

Total Projects	65
Projects Completed	39
Projects In-Progress (Multi-Year)	15
Projects In-Progress (Carryover)	8
Projects Canceled	1
Projects Deferred	2

LIPA management monitors Work Plan milestones weekly to ensure that projects remain on schedule and meet their objectives. Substantial progress was made on all projects, including the multi-year and carry-over projects. Additional information summarized by department is available in the following chapters. **There were over 500 deliverables associated with LIPA's 2023 Work Plan projects, of which 458 were completed as of the beginning of January 2024 and 42 remain to be closed out in 2024.** The status of the deliverables for each project are summarized in **Figure 5** and detailed in **Appendix A**.

Figure 5: 2023 Work Plan Deliverable Breakdown

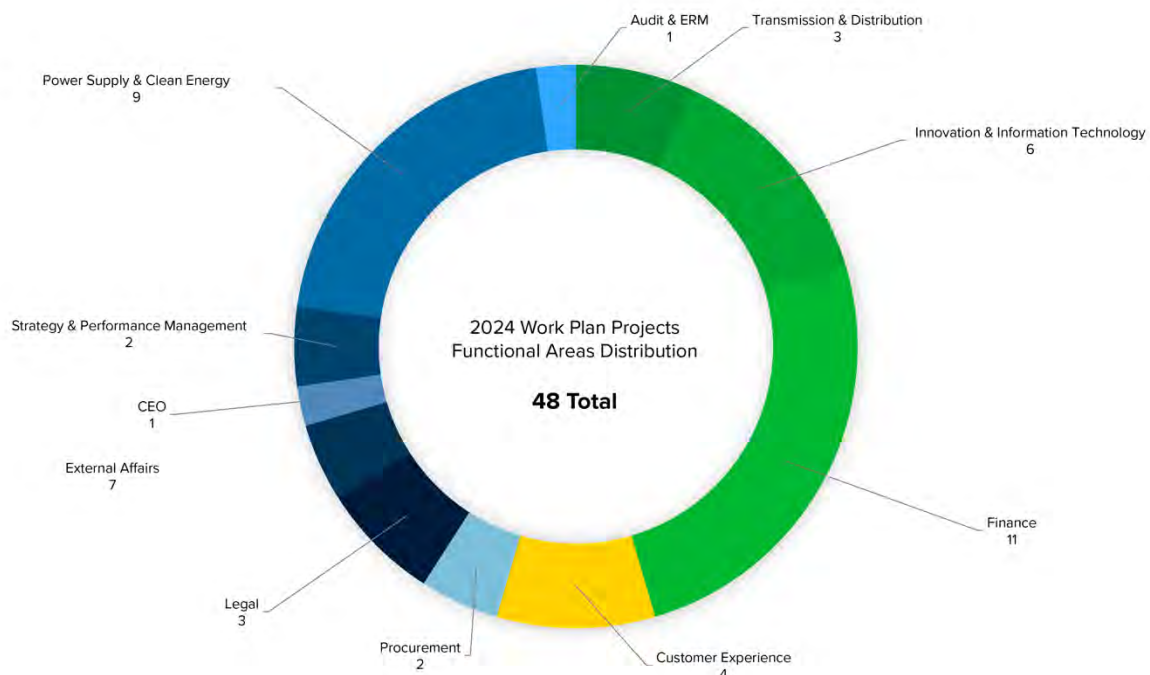
Note: Outstanding includes only 2023 carryover projects; multi-year project deliverables are excluded as the projects were not expected to be completed in 2023.

Overview of LIPA's 2024 Work Plan

The 2024 Work Plan includes **48 projects** that will be undertaken by LIPA staff, focusing on reliability and resiliency, customer experience, information technology and cybersecurity, clean energy, customer affordability, and fiscal sustainability in our service to LIPA customers, in alignment with the Board's key policy objectives. These 48 projects include the 15 multi-year and 8 carryover projects from the 2023 Work Plan. The distribution of the 2024 Work Plan projects is summarized in **Figure 6**.

The LIPA Work Plan projects and the PSEG Long Island Performance Metrics have their own respective deliverables, reporting, and year-end closeout efforts, and are listed and tracked separately to provide additional transparency and value to drive results. Additional information on 2024 LIPA Work Plan projects summarized by department is available in the following chapters. For a complete list of the 2024 LIPA Work Plan Projects, please see **Appendix B**.

Figure 6: 2024 Work Plan Projects by Function



LIPA's Staffing and Resources

LIPA oversees and is ultimately responsible for over **\$15 billion of assets** and **revenues of \$4.2 billion per year** on behalf of our customers.

LIPA undertakes its direct responsibilities, Work Plan projects, and oversight of services provided by vendors through a combination of staff and consultants. **Figure 7** summarizes LIPA's staffing, budgets, and the scope of services overseen by each LIPA department. More information about each department is available in the following Chapters.

LIPA's **budgeted positions include 89 full-time employees (FTEs) and 5 part-time employees (PTEs)**. This is an increase of **eight (8) FTEs** as compared to 2023. Staffing needs are evaluated based on workload, skills sets, and anticipated retirements, with both increases and decreases by department, as shown in **Figure 7**. LIPA currently has **18 authorized but vacant positions** due to a combination of new positions and staff departures.

LIPA's 2024 Budget for its staff, consultants, and outside service providers is approximately \$47 million, or approximately 1.1% of LIPA's 2024 revenues of \$4.2 billion.

Figure 7: LIPA Staffing and Budgets by Department and Scope of Services Overseen

LIPA Department	LIPA Staffing and Budget	Scope of Service Providers Overseen
Transmission & Distribution	<ul style="list-style-type: none"> Positions: 10 (-1 vs. 2023) Vacant: 4 2024 O&M Budget: \$3.1 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: 22 Positions: 1,584 and 400 contractors 2024 O&M Budget: \$229.8 million 2024 Capital Budget: \$673.8 million
Customer Experience	<ul style="list-style-type: none"> Positions: 5 (+2 vs. 2023) Vacant: 2 2024 O&M Budget: \$1.0 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: 15 Positions: 650 employees (excludes the Energy Efficiency Group) 2024 O&M Budget: \$106.9 million 2024 Capital Budget: \$8.2 million
Power Supply and Clean Energy	<ul style="list-style-type: none"> Positions: 6 (Flat vs. 2023) Vacant: 1 2024 O&M Budget: \$2.6 million 	<ul style="list-style-type: none"> 5,500 MW of generation contracts and 3,000 MW of transmission contracts 2024 Performance Metrics: 6 PS&CE and 15 PSEG ER&T PSEGLI Positions: 127 National Grid and other capacity contract positions (est.): 500+ PS&CE 2024 O&M Budget: \$127.9 million PS&CE 2024 Capital Budget: \$10.8 million Total Power Supply O&M Budget: \$2 billion
Office of the COO: Innovation and Information Technology	<ul style="list-style-type: none"> Positions: 11 (+2 vs. 2023) (most dedicated to LIPA IT Operations) Vacant: 1 2024 O&M Budget: \$11.5 million 2024 Capital Budget: \$9 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: 9 Positions: 184 and 250+ contractors, supplemented by employees of PSEG affiliates 2024 O&M Budget: \$96.8 million 2024 Capital Budget: \$110.1 million
Office of the COO: Strategy and Performance Office	<ul style="list-style-type: none"> Positions: 5 (+2 vs. 2023) Vacant: 2 2024 O&M Budget: \$3 million 	N/A
Finance	<ul style="list-style-type: none"> Budgeted Positions: 21 FTEs & 3 PTEs (-2 FTE vs. 2023) (most related to LIPA's operations) Vacant: 2 2024 O&M Budget: \$8.7 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: 7 Positions: 61 2024 O&M Budget: \$7.5 million
Office of the General Counsel: Legal	<ul style="list-style-type: none"> Budgeted Positions: 8 (+1 vs. 2023) (most related to LIPA's operations) Vacant: 1 2024 O&M Budget: \$6.3 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: 1 Positions: 32, supplemented by outside counsel and PSEG affiliates 2024 O&M Budget: \$10.1 million
Office of the General Counsel: Human Resources & Administration	<ul style="list-style-type: none"> Positions: 7 (+1 vs. 2023) (All primarily related to LIPA's operations) Vacant: 1 2024 O&M Budget: \$2.4 million 2024 Capital Budget: \$1.0 million 	<ul style="list-style-type: none"> Performance Metrics: 1 Positions: 28 and 13 employees of PSEG affiliates 2024 O&M Budget: \$11.1 million
Office of the General Counsel: Procurement	<ul style="list-style-type: none"> Positions: 3 (+1 vs. 2023) (all primarily related to LIPA's operations) Vacant: 1 2024 O&M Budget: \$0.4 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: none Positions: 30 2024 O&M Budget: \$5.5 million
Office of the CEO: External Affairs	<ul style="list-style-type: none"> Positions: 3 FTEs and 1 PTE (+1 vs. 2023) Vacant: 1 2024 O&M Budget: \$0.8 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: none Positions: 17 2024 O&M Budget: \$1.9 million
Office of the CEO: Communications	<ul style="list-style-type: none"> Positions: 4 (+1 vs. 2023) Vacant: 2 2024 O&M Budget: \$1.2 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: none Positions: 9 FTEs 2024 O&M Budget: \$1.4 million (Excludes Marketing and Advertising of ~\$10 million)
Office of the CEO: Enterprise Risk Management	<ul style="list-style-type: none"> Positions: 1 FTEs and 1 PTE (flat vs. 2023) Vacant: 0 2024 O&M Budget: \$0.4 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: none Positions: 2 2024 O&M Budget: \$0.3 million
Office of the CEO: Internal Audit	<ul style="list-style-type: none"> Positions: 5 (flat vs. 2023) Vacant: 0 2024 O&M Budget: \$1.9 million 	<ul style="list-style-type: none"> 2024 Performance Metrics: none Positions: 6 2024 O&M Budget: \$1.0 million

LIPA supplements its staff with consultants and outside service providers, such as law firms, actuaries, and financial advisors. LIPA hires third parties for several reasons:

- **for specialized skills needed for a short duration:** as LIPA does not operate the electric grid on a day-to-day basis, it frequently is neither economical nor practical to bring on board full-time staff for a specialized skill set needed only for a particular project. This applies to skill sets such as actuaries, outside counsel, or information technology professionals for independent verification and validation of IT capital projects.
- **where an independent opinion is particularly valued:** an independent third party can bring greater objectivity, such as for a benchmarking appraisal, where the third party can assess organizational maturity and processes relative to industry frameworks and peer utilities (e.g. cyber security, asset management, or energy efficiency appraisals). This eliminates the potential for an optimistic bias that might come from self-assessment.
- **where we are required to have an independent third party:** LIPA is sometimes required by law, regulation, or bond covenant to retain an independent third party to perform a service, such as for issuing audited financial statements or retaining financial advice for financial transactions.
- **staff supplementation:** LIPA maintains a relatively small staff without multiple layers of qualified internal candidates to fill vacancies. Filling open positions with qualified staff takes time, and sometimes staff supplementation is required to keep projects on track while the recruiting and onboarding process is ongoing.

Figure 8 summarizes LIPA's 2024 estimated spending for consultants, operational support, and services. These costs are separated by department and further shown for oversight activities, Work Plan projects, and other LIPA operation support and services (e.g. law firms, auditors, financial advisors, etc.). Further detail on these costs is included in the Chapters that follow.

Figure 8: 2024 Estimated Consultant, Operational Support, and Services by Department (\$ millions)

Department	Oversight of PSEGLI, ER&T, Power Supply Vendors	2024 LIPA Work Plan Projects	LIPA Operational Support & Services	Budget Total	LIPA Operational Support & Services Description
Transmission & Distribution	\$250,000	\$400,000	\$600,000	\$1,250,000	
Customer Experience	\$300,000	\$150,000	\$0	\$450,000	
Power Supply and Clean Energy	\$700,000	\$1,075,000	\$0	\$1,775,000	
Innovation and Information Technology	\$4,250,000	\$100,000	\$3,511,593	\$7,861,593	Staff support, help desk, network administration, cybersecurity, and product support
Strategy and Performance Office	\$200,000	\$650,000	\$773,000	\$1,623,000	
Finance	\$500,000	\$410,000	\$4,182,000	\$5,092,000	Auditors, actuaries, investment and financial advisors, etc.
Legal	\$0	\$0	\$4,520,000	\$4,520,000	Outside legal counsel
Human Resources & Administration	\$0	\$105,000	\$1,295,000	\$1,400,00	Recruitment and employee support and training
Procurement	\$0	\$0	\$0	\$0	
Office of the CEO	\$0	\$375,000	\$0	\$375,000	
External Affairs	\$0	\$30,000	\$0	\$30,000	
Communications	\$0	\$0	\$150,000	\$150,000	
Enterprise Risk Management	\$0	\$0	\$0	\$0	
Internal Audit	\$0	\$0	\$1,250,000	\$1,250,000	
Corporate	\$0	\$0	\$1,764,078	\$1,764,078	Corporate rebid process, financial advisors
Total	\$6,200,000	\$3,295,000	\$18,045,671	\$27,540,671	

Conclusion

The LIPA Board of Trustees is committed to providing an excellent utility for our customers on Long Island and in the Rockaways. LIPA's 2024 Work Plan advances the high standards and strategic objectives set by the Board for our customers and, along with our Budget and Performance Metrics, provides our stakeholders with a transparent view of our objectives. This year, LIPA will continue to pursue projects that meet the objectives laid out by the Board of Trustees.

Our focus is on improving the product we deliver to our customers – clean, reliable, and affordable electric service to our 1.2 million customers on Long Island and in the Rockaways.

2024 Work Plan

Chapter 1: Transmission and Distribution

I. Overview

The LIPA Transmission and Distribution (T&D) Department is responsible for advancing the Board's Policies for:

- **Transmission & Distribution Operations**, which provides that LIPA's vision for our transmission and distribution system is to achieve industry-leading reliability, improve resiliency by minimizing outages and reducing restoration times after significant system disruptions, and leverage modern system design and technology to provide value to all customers.
- **Safety**, which provides that LIPA's vision for safety is to be recognized as a leader in employee safety while also assuring the safety of the public related to LIPA operations and facilities.
- **Construction of Transmission and Distribution Projects**, which outlines the responsibilities of PSEG Long Island for the construction of the T&D system.

II. Organizational Structure

The LIPA T&D Department has **10 budgeted positions**, a decrease of one position from 2023. **All the LIPA T&D positions are primarily related to oversight rather than LIPA's operations. Four (4) positions are currently vacant.** Staff are supplemented by contractors and consultants as needed for staff augmentation or to provide specific subject matter expertise and specialized skillsets. The department has a **2024 O&M Budget of \$3.1 million** and **no Capital Budget**.

The PSEG Long Island T&D organization LIPA oversees is composed of **1,584 full-time equivalent (FTE) positions** and **400 full-time contractors**, supplemented by additional project construction contractors as needed. The organization has a **2024 O&M Budget of \$229.8 million (excluding fringe costs)** and a **Capital Budget of \$673.8 million**, including pending project authorizations.

III. Oversight of PSEG Long Island Operations

PSEG Long Island is responsible for the day-to-day operation and maintenance of the LIPA T&D system. The LIPA T&D Department is primarily responsible for overseeing the performance of PSEG Long Island in various areas such as Electric System Operations, Engineering, Power System Studies, Regulatory Compliance, Storm Planning and Response, T&D Capital and O&M Budgeting, Maintenance, and Project Management, and Construction of the LIPA T&D system.

Oversight of PSEG Long Island Performance Metrics

LIPA's T&D Department is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well for independent verification and validation (IV&V) of PSEG Long Island's performance under each metric.

PSEG Long Island had **42 T&D Performance Metrics** in 2023 ([link](#)). In 2024, PSEG Long Island has **22 T&D Performance Metrics** ([link](#)).

Each year, LIPA issues quarterly and annual reports on PSEG Long Island's performance under the metrics before awarding PSEG Long Island's Variable Compensation. Per the LIPA Reform Act, the DPS also independently reviews LIPA's evaluation and provides a recommendation to the LIPA Board. LIPA's 2022 Year-End Report on PSEG Long Island's Performance Metrics ([link](#)) and most recent quarterly report ([link](#)) contain additional information on PSEG Long Island's past performance. LIPA's 2023 Year-End Report will be available to the public by May 2024.

Oversight of PSEG Long Island Budgets

The PSEG Long Island T&D organization has a **2024 O&M Budget of \$229.8 million (excluding fringe costs)** and a **Capital Budget of \$613.8 million** including pending project authorizations. LIPA's line-item and project-level review of PSEG Long Island's budget proposals for 2024 resulted in significant customer savings:

- PSEG Long Island T&D Operating Budget Review – LIPA T&D staff participate in the identification of opportunities through better operation and maintenance of the T&D system assets and support the identification of future O&M projects, including the project need, timing, option analysis, and estimation accuracy. **LIPA's review of PSEG Long Island's 2024 T&D O&M Budget request resulted in a reduction of \$27.5 million (11%).**
- PSEG Long Island T&D Capital Project Review – LIPA T&D staff review projects for alignment with LIPA's objectives, project need, timing, options analysis, and estimation accuracy, and monitor the execution of in-flight projects. **LIPA's review of PSEG Long Island's 2024 T&D Capital Budget request resulted in a reduction of \$48 million (7%).**

For more information about LIPA and PSEG Long Island's budgets, please see LIPA's 2024 Budget ([link](#)).

Other Oversight of PSEG Long Island

In addition to the activities outlined above, LIPA's T&D Department oversight responsibilities include:

- **Oversight of T&D System Day-to-Day Operations** – Oversight of PSEG Long Island's management of the daily operation of the T&D system, including daily review of T&D system reports and evaluation for proper operation of the T&D system.
- **Emergency Response Planning Oversight** – Annual review and approval of PSEG Long Island's Emergency Response Plan (ERP), Business Continuity Plans (BCPs), and drills, as required by the OSA.
- **Storm Response Oversight** – Provide oversight of PSEG Long Island storm response, and review storm invoices, as required by the Second Amended and Restated Operations Services Agreement (OSA). LIPA's review of storm invoices also focuses on process improvement, such as more timely and accurate invoicing.

- **System Resiliency Oversight** – Oversight of the creation of the 5-year system hardening and resiliency program, per the Board’s Policy on T&D.
- **System Safety Oversight** – Manage and provide oversight for the operation of a safe and reliable system in accordance with the Board Policy’s Policy on Safety. Provide oversight of compliance with NYS Electric Safety Standard and the Stray Voltage Program and oversight of the Root Cause Analysis Program.
- **NERC CIP Compliance** – Review and oversight of NERC and FERC compliance and filings.
- **Identification and Resolution of T&D Operational Gaps** – Identify system and operational efficiency gaps and provide recommendations and oversight for improvements, including improvements to key areas such as Work Management, Asset Management, Overtime Reduction, Storm Hardening, Vegetation Management, Inventory Management, etc.; and identification and oversight of pilot programs and new technologies such as vegetation intelligence, meter collars to promote EV Infrastructure, small generator interconnection procedure, and interconnection of distributed energy resources.
- **Oversight of Real Estate** – Oversight of LIPA’s property portfolio, including the properties LIPA should occupy, exit, and/or relocate, as well as the magnitude of the investments necessary to optimize each asset. Oversight of several planned real estate/facilities projects, including the design and construction of an operations center in Medford and a new Primary Transmission Control Center.
- **IV&V of Board Isaías Task Force and Management Recommendations** – Monitoring and IV&V of PSEG Long Island’s efforts to implement open T&D-related Recommendations adopted by the Board following Tropical Storm Isaías.

Already Identified Consulting Costs Associated with PSEG Long Island Oversight

Already identified consulting costs associated with LIPA’s oversight of Performance Metrics and other PSEG Long Island activities for 2024 are summarized in **Figure 9**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 9: Already Identified Consulting Costs Associated with 2024 PSEG Long Island Performance Metrics and Oversight of PSEG Long Island Operations

Activity	Estimated Consultant Budget
Performance Metric T&D-52 Triennial Safety Assessment: LIPA to retain an independent third party to review PSEG Long Island’s Safety practices.	\$250,000

IV. LIPA Operations

PSEG Long Island is responsible for the day-to-day operation of the LIPA T&D system. As such, LIPA T&D has limited direct operational responsibilities, including:

- **NY State Environmental Quality Review Act Compliance** – LIPA T&D is responsible for the implementation and approval of certain documents filed under the State Environmental Quality Review Act (SEQRA).
- **Audits, Information Requests, and Reporting** – LIPA T&D provides information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including for DPS Management Audits and Board reporting.
- **Applications for Grant Funding** – LIPA T&D assists in LIPA's application and compliance for grants from the federal government.
- **LIPA's Continuity of Operations** – LIPA T&D is responsible for planning for LIPA's continuity of operations.
- **Working Groups, Boards, and Associations** – The T&D Department represents LIPA on various industry working groups, boards and associations, such as the United States Green Building Council of Long Island (USGBCLI), PSEG Long Island Interconnection Working Group (IWG), Transmission & Distribution Planning Coordinating Committee (TDPCC), Market Design and Integration Working Group (MDIWG), Interconnection Technical Working Group (ITWG), the Large Public Power Council (LPPC), and the Association of Edison Illuminating Companies (AEIC).

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

T&D had **eight (8) 2023 Work Plan projects**, all of which are completed. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 10**.

Figure 10: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Develop a Climate Resiliency Plan	LIPA and PSEG Long Island retained ICF to complete a Climate Vulnerability Study (CVS) and participate in EPRI's Climate READi Initiative. The Board has been updated on LIPA's storm resiliency measures, including the model of actions to provide a 15% reduction in Customer Minutes Interrupted from a major storm over five years. A review of the draft CVS was completed in Q3. A new draft was submitted and is under review with LIPA and PSEG Long Island. The CVS completes the 2023 scope of work. A 2024 project will complete a Climate Resiliency Plan, which will be presented to the Board in 2024.
Enhance Grid Operations	The original project scope was to hire a third-party to analyze the current system protection philosophy, assess the maintenance of existing equipment protection, and suggest recommended technical innovations to enhance grid operations. The decision was made to utilize internal LIPA protection and control expertise to complete the scope of work. LIPA worked with PSEG Long Island to complete the development of the Automatic Circuit Reclosing Viper (ACRV) strategy, develop the Automatic Sectionalized Unit Viper (ASUV) operational implementation work plan, and TripSaver strategy, and create the TripSaver project justification document. The ACRV and ASUV operational implementation strategy was reflected in 2024 Performance Metrics T&D-30 and T&D-31. The first wave of TripSaver installations will begin in 2024.
Enhance LIPA's Physical Security	The scope of this work plan was re-evaluated in Q3 2023, which resulted in building cross-functional teams from LIPA and PSEG Long Island. The primary objective was to conduct a physical security strategy assessment, which was completed by year-end, with deliverables including a substation prioritization

	matrix and a draft project plan for 2024 and beyond. A 2024 work plan has been created to transform actions identified in the substation prioritization matrix into a Project Implementation Plan that defines deliverables for 2024 and beyond, as this is a multi-year effort.
Enhance PSEG Long Island Emergency Response Plan (ERP), Business Continuity Plans, and Functional Exercises	Targeted improvements were made to the 2023 ERP submission and included language for cyber response per the 2022 Legislative Bill signed by the Governor. DPS approved the 2023 ERP in June 2023. Functional Exercises were also completed. 300+ LIPA recommendations and observations were forwarded to PSEG Long Island and were completed by year-end. LIPA secured a vendor to supplement staff in the annual review of the 2024 ERP submission. A draft schedule for developing a full Functional Exercise for Q32024 and for further 2024 revisions of the ERP was completed and presented to executive leadership on December 15, 2023.
Evaluate PSEG Long Island Workforce Management Procedures and Protocols	LIPA retained EnerNex to review the accuracy of PSEG Long Island's Capability Unit Estimates (CUEs). LIPA worked with PSEG Long Island to develop a budget template that links work management models to budgeted headcount for use in the 2024 Budget. PSEG Long Island also provided overtime targets by craft through 2030, which were reviewed by LIPA. A 2024 work plan has been created to improve the Governance, Structure, Usage, and Accuracy of the CUE Library based on 2023 findings.
Fleet Management	The objective was to implement over three years the 2022 PA Consulting Fleet Management Assessment Report recommendations. PSEG Long Island completed a final reporting template and reports monthly on the number of reduced truck rolls resulting from the AMI implementation. PSEG Long Island also drafted a scope of work for soliciting a supplier to conduct the Fleet Renewal EV Transition Study. However, LIPA and PSEG Long Island instead established a small working group. This working group will visit Altec in January 2024 to discuss hybrid heavy-duty vehicles and inform the future development of fleet standardization plans. Additionally, development was completed for a multi-year plan to implement a standardized fleet of one manufacturer by vehicle type, common design for heavy-duty vehicles, hybrid fuel heavy-duty vehicles, and small and light-duty electric vehicles. A NYSERDA Concept Paper was completed. However, LIPA was not awarded the Vehicle Grid Integration Program grant. The remaining open action is to return the two remaining COVID rental vehicles, which are bucket trucks expected to be returned in Q1 2024. All other COVID rental vehicles were either returned or offset by the return of AMI implementation vehicles.
Review and Improve Damage Assessment	A LIPA benchmark study to other utilities recommended process improvements and enhancements that reduce the time required for post-storm damage assessment and speed up overall storm restoration. The final report included industry best practices and recommendations to improve PSEG Long Island's damage assessment process. The report covered various areas, such as staffing requirements, organizational changes, necessary technology, and training, to ensure the damage assessment process is more efficient and effective. Key insights identified in the report will be part of the 2024 ERP rewrite and streamlining effort scheduled to begin in January 2024. However, the legwork of the damage assessment process for the ERP rewrite has been completed. LIPA will re-evaluate to ensure that recently passed PAL 1020 is included in any changes to this process.
Triennial Safety Assessment	The Triennial Safety Assessment commenced in December 2023 with the selection of a qualified independent third-party consultant. Progress against any material findings/recommendations from the assessment will be tracked under the 2024 Triennial Safety Performance Metric T&D-52. The Triennial Safety Assessment is expected to run through the beginning of Q2 2024.

2024 LIPA Work Plan Projects

For 2024, T&D is proposing **four (4) Work Plan projects**, as summarized in **Figure 11**. Additional detail on each project is available in Appendix B.

Key focus areas for 2024 include:

- conducting a Triennial Safety Assessment (metric T&D-52),
- improving the use of the CUE Library,
- enhancing the physical security at LIPA's facilities,
- developing a Climate Resiliency Plan,
- reviewing PSEG Long Island's Emergency Response Plan (as part of LIPA's annual review and approval), and
- oversight of real estate/facilities projects in the PSEG Long Island Capital Budget.

The priorities are aligned with Board Policy and the 5-Year Strategic Roadmap. They are reflected in specific 2024 oversight activities and Work Plan Projects.

Figure 11: Summary of 2024 LIPA Work Plan Projects

Title	Description
Implement Effective Use of the CUE Library	Implement improvements to the governance, structure, usage, and accuracy of PSEG Long Island's Compatible Unit Estimating (CUE) Library through the development and adherence to enhanced policies and practices. Demonstrated improved visibility and accuracy of unit costs, estimating, budgeting, and cost tracking of T&D work efforts.
Implement Physical Security Enhancements to LIPA's Facilities and Assets	This is the next phase in LIPA's 2023 Work Plan Project, which resulted in a physical security strategy assessment. Develop and implement a physical security program, administrative and technical controls, and technologies based on industry best practices to enhance the utility's physical security posture. Further, implement new technology that improves compliance with regulatory agency requirements regarding the physical security of facility access for control centers, substations, and operating centers.
Develop a Climate Resiliency Plan	This is the next phase of LIPA's 2023 Work Plan Project, which resulted in a Climate Vulnerability Study. The objective in 2024 is to develop a Climate Resiliency Plan (CRP) that meets the resiliency objective of the Board's Policy on Transmission and Distribution operations. The CRP should drive system and operational performance improvements to achieve at least a 15% improvement in customer minutes interrupted (CMI) within 5 years for a storm similar to Tropical Storm Isaias.
Enhance PSEG Long Island Emergency Response Plan	This is the next phase of LIPA's 2023 Work Plan Project. The objective is to make targeted improvements to PSEG Long Island's Emergency Response Plan, Emergency Response Implementation Procedures / Business Continuity Plans, and Functional Exercises to enhance emergency preparedness, as part of LIPA's annual review and approval under the OSA. LIPA and PSEG Long Island have identified the areas for enhancement and have a preliminary schedule for completing the work in 2024.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 12**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 12: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Project Name	Estimated Consultant Budget
Implement Effective Use of the Compatible Unit Estimating (CUE) Library: assist in reviewing PSEG Long Island's project deliverables related to implementing improvements to the CUE library's governance, structure, usage, and accuracy.	\$250,000
Review and Approve PSEG Long Island's 2024 Emergency Response Plan, Drills, and Business Continuity Plans: support to review and approve plans and drills, as required by the Second Amended and Restated Operations Services Agreement (OSA).	\$150,000

Chapter 2: Customer Experience

I. Overview

The LIPA Customer Experience Department is responsible for advancing the Board Policy for **Customer Experience**, which provides that LIPA will continually improve customer satisfaction and ease of interaction, while investing in programs that offer customers the information, education, and tools to manage their electric utility, including enhanced billing and payment options, emerging technologies, communications tools, innovative rates, and clean energy offerings.

II. Organizational Structure

The LIPA Customer Experience Department has **five (5) budgeted positions**, an increase of two (2) positions from 2023. **Two (2) positions are currently vacant**, and contractors are used for staff augmentation for vacant positions. **All LIPA Customer Experience positions are primarily related to oversight rather than LIPA's operations.** Consultants are also used as needed to provide subject matter expertise and specialized skillsets, such as for IV&V of major customer experience projects including the Contact Center as a Service (CCaaS) and Time-of-Day (TOD) programs. The department has a **2024 O&M Budget of \$1.0 million** and **no Capital Budget**.

PSEG Long Island Customer Services, excluding the Energy Efficiency group, whose oversight is provided by the LIPA Power Supply and Clean Energy Department, is budgeted at **650 employees** and has a **2024 O&M Budget of \$106.9 million (excluding fringe costs)** and a **Capital Budget of \$8.2 million**, including pending project authorizations.

III. Oversight of PSEG Long Island Operations

The day-to-day delivery of customer services to LIPA's customers is through PSEG Long Island, encompassing revenue operations, customer contact, billing, meter services, customer experience and utility marketing, and customer technology. The LIPA Customer Experience Department is responsible for overseeing the performance of PSEG Long Island, in accordance with the LIPA Reform Act and the OSA. Customer Experience's Oversight aims to ensure that the customer services provided by PSEG Long Island are aligned with board policy and LIPA's strategic goals and includes monitoring and ensuring improvements to customer satisfaction and oversight of billing and revenue operations to achieve agreed upon standards.

Oversight of PSEG Long Island Performance Metrics

LIPA's Customer Experience Department is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well as for performing IV&V of PSEG Long Island's performance under each metric.

PSEG Long Island had **22 Customer Experience Performance Metrics** in 2023 ([link](#)). In 2024, PSEG Long Island has **15 Customer Experience Performance Metrics** ([link](#)).

Each year, LIPA issues quarterly and annual reports on PSEG Long Island's performance under the metrics before awarding PSEG Long Island's Variable Compensation. Per the LIPA Reform Act, the DPS also independently reviews LIPA's evaluation and provides a recommendation to the LIPA Board. LIPA's 2022 Year-End Report on PSEG Long Island's Performance Metrics ([link](#)) and most recent quarterly report ([link](#)) contain additional information on PSEG Long Island's past performance. LIPA's 2023 Year-End Report will be available to the public by May 2024.

Oversight of PSEG Long Island Budgets

The PSEG Long Island Customer Experience organization has a **2024 O&M Budget of \$106.9 million (excluding fringe costs)** and a **Capital Budget of \$8.2 million**, including pending project authorizations. LIPA's line-item and project-level review of PSEG Long Island's budget proposals for 2024 resulted in significant customer savings:

- PSEG Long Island Customer Service Operating Budget Review -- LIPA Customer Experience and Communications staff reviewed PSEG Long Island's O&M budget request and made recommendations to the LIPA Board. **LIPA's review of PSEG Long Island's 2024 Customer Service O&M Budget request resulted in a reduction of \$12.8 million (11%).**
- PSEG Long Island Customer Service Capital Budget & Customer Technology Capital Budget Review -- LIPA Customer Experience staff reviewed PSEG Long Island's capital budget request and made recommendations to the LIPA Board. **LIPA's review of PSEG Long Island's 2024 Customer Service and Customer Technology Capital Budget requests resulted in a reduction of \$4.4 million (36%).**

For more information about LIPA and PSEG Long Island's budgets, please see LIPA's 2024 Budget ([link](#)).

Other Oversight of PSEG Long Island

In addition to the activities outlined above, LIPA's Customer Experience Department oversight responsibilities include:

- **Oversight of Day-to-Day Customer Experience Operations** – Oversight of PSEG Long Island's management of the daily operations of the customer service functions.
- **Subject Matter Expert (SME) Support for all LIPA Oversight Activities with Customer Service Elements** – Provide customer expertise for all LIPA oversight activities of initiatives directly impacting customers, including LIPA rate development and other initiatives.
- **Emergency Response Planning Oversight** – Annual review and approval of customer service processes and technologies related to PSEG Long Island's ERP, Drills, and BCPs.
- **Storm Response Oversight** – Provide oversight of customer functions associated with PSEG Long Island storm response, such as the contact center.
- **Identification and Resolution of PSEG Long Island Customer Service Operational Gaps** - Identify customer experience, technology, and efficiency gaps and provide recommendations and oversight for improvements, including such items as the Contact Center Get Well Plan, credit card payment enhancements, customer kiosks for more convenient payment options, and the Move In/Move Out process.

Already Identified Consulting Costs Associated with PSEG Long Island Oversight

Already identified consulting costs associated with LIPA's oversight of Performance Metrics and other PSEG Long Island activities for 2024 are summarized in **Figure 13**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 13: Already Identified Consulting Costs Associated with 2024 PSEG Long Island Performance Metrics and Oversight of PSEG Long Island Operations

Activity	Estimated Consultant Costs
IV&V of major 2024 customer experience technology projects including Contact Center as a Service (CCaaS) system, Time-of-Day (TOD) program, Move Automation, and Credit Card Payment Enhancements	\$200,000
IV&V of 2024 Contact Center Performance Improvement Metrics	\$100,000

IV. LIPA Operations

PSEG Long Island is responsible for the day-to-day customer operations of LIPA's assets. As such, LIPA's Customer Experience Department has limited direct operational responsibilities, including:

- **Customer Inquiries and Complaints** – LIPA's CEO is ultimately responsible for customer appeals, which are facilitated by the DPS and the LIPA Customer Experience Department. The Customer Experience Department also supports the Board and CEO on customer service inquiries.
- **Audits, Information Requests, and Reporting** – The Customer Experience Department provides information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including for DPS Management Audits and Board reporting.
- **Working Groups, Boards, and Associations** – The Customer Experience Department represents LIPA on various industry working groups, boards, and associations, including at LPPC and AEIC.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

Customer Experience had **five (5) 2023 Work Plan projects**, of which four (4) have been completed, with the remaining project largely complete and scheduled to conclude in early 2024 (a sale of excess meter inventory), awaiting action by a third party. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 14**.

Figure 14: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Contact Center Improvement Plan	LIPA has completed a review and validation of the effectiveness of PSEG Long Island's proposed Contact Center Get-Well Plan and the appropriateness of PSEG Long Island's incremental budget request. LIPA established enhanced reporting and monitoring on Contact Center performance through the 2023 performance year based on PSEG Long Island's proposed Get-Well Plan activities and evaluated the effectiveness of PSEG Long Island results around average handling time (AHT), Customer Representative (CR) productivity monitoring, shrinkage, the staffing model and levels (FTE versus OT), call volume forecasting, and future self-service expansion approach. LIPA's proposed 2024 Performance Metrics related to the contact center are based upon the findings of the 2023 project and include metrics on service levels (CS-11), IVR containment (CS-25), move process improvement (CS-28), optimizing contact center resources (CS-30), and call AHT (CS-31).
Customer Operations - Structure, Staffing and Capabilities Study	Due to the challenges related to the Contact Center performance, LIPA refined the project scope to focus specifically on the Contact Center and Billing organizational structures in 2023. LIPA staff developed a dynamic contact center staffing model to determine headcount based on volume and expected performance and provided the model to PSEG Long Island. PSEG Long Island and LIPA continue to partner to define assumptions for the model to ensure appropriate staffing levels. In addition to the Contact Center and Billing, PSEG Long Island proposed changes to other segments of the organization, which LIPA reviewed as part of the 2024 Budget submission. Staffing and organizational structure assessments will continue into 2024 with a new 2024 project focused on two Customer Operations organizations: Business Solutions and Customer Experience.
Deploy a New Standard TOD Rate - Residential	LIPA successfully obtained a recommendation from DPS and approval from the LIPA Board of Trustees for the new standard non-heating Time-of-Day (TOD) rate and an optional super off-peak TOD rate. Various meetings were held with key stakeholders to review the implementation plan to roll out the non-heating TOD rate, which is scheduled for 2024 and 2025. LIPA also reviewed alternative rate designs for a heating TOD rate and determined that the super off-peak TOD rate was the appropriate structure for most cold climate heat pump customers. Further, the analysis determined that the existing residential heat flat rate (Rate 580) is no longer cost based and should reflect technological developments since it was adopted. LIPA met with the New York Solar Energy Industries Association and other stakeholders on the findings and analysis. LIPA continues to engage with PSEG Long Island and stakeholders on the implementation effort.
Meter Inventory Management Redesign	LIPA validated the methodology and inputs used to determine meter reorder points and established 2024 reorder points to maintain an 18-month supply of meter inventory. The meter inventory capital budget for 2024 was also assessed to ensure alignment with meter demands. LIPA will continue to provide oversight of PSEG Long Island's open items regarding the sale of excess meter inventory.
Review PSEG Long Island Advance Metering Infrastructure	LIPA completed an independent assessment of PSEG Long Island's Advanced Meter Infrastructure (AMI) implementation, including deep dives into system integrations, theft detection capabilities, and the collection disconnect process. LIPA's findings and recommendations were incorporated into the multi-year AMI roadmap, produced as part of the 2023 CS-22 Performance Metric.

2024 LIPA Work Plan Projects

For 2024, Customer Experience is proposing **four (4) Work Plan projects**, as summarized in **Figure 15**. Additional detail on each project is available in Appendix B.

With the TOD program being a top priority for LIPA, our oversight in 2024 will continue to focus on **TOD project implementation**, including close monitoring of Key Performance Indicators (KPIs) and the customer experience for those who enroll.

Another key focus for the year is the continued monitoring of the progress of the **Contact Center Get-Well Plan recovery efforts** and assessing the impact on the metric performance results to ensure satisfying customer interactions with PSEG Long Island. The priorities are aligned with Board Policy and the 5-Year Strategic Roadmap and reflected in specific 2024 oversight activities and Work Plan Projects.

Figure 15: Summary of 2024 LIPA Work Plan Projects

Title	Description
Advance Customer Analytics	Advance LIPA's access to and understanding of operational and customer experience data to improve overall insight into PSEG Long Island's day-to-day operations and performance beyond OSA metrics.
Evaluate Customer Experience and Business Solution Staff Structure	Review the Customer Experience and Business Solution organizational structures as measured against industry benchmarks to ensure the most effective use of staff and customer funds.
Assess Contact Center Improvement Plan & TOD Impacts	Monitor and assess effectiveness of the Contact Center Service Improvement Plan and impacts of the Time-of-Day rate program to continue improving the PSEG Long Island partnership, improve contact center performance, and ensure appropriate staffing for TOD in 2025.
Meter Inventory Management Redesign	Complete 2023 Work Plan by completing the sale of excess meters based on optimal inventory levels.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 16**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 16: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Title	Estimated Consultant Budget
Advance Customer Analytics	\$50,000
Assess Contact Center Improvement Plan & TOD Impacts	\$100,000

Chapter 3: Power Supply and Clean Energy

I. Overview

The LIPA Power Supply and Clean Energy department (PS&CE) is responsible for advancing the Board Policies governing:

- **Power Supply and Clean Energy:** Driving LIPA's vision to provide clean, reliable, resilient electricity to our customers at an affordable cost that both maintains the economic competitiveness of our region and minimizes the economy-wide greenhouse gas emissions of Long Island and the Rockaways by encouraging the electrification of vehicles, buildings, and equipment.
- **Power and Fuel Supply Hedging:** Ensuring that a highly effective commodity hedging program that provides a high degree of stability in customer rates.
- **Public Policy Transmission Planning:** Governing certain regulatory responsibilities related to Public Policy Transmission Needs (PPTN) projects, such as the PropelNY PPTN for offshore wind.

II. Organizational Structure

LIPA PS&CE has **six (6) budgeted positions**, unchanged from 2023. **One (1) position is currently vacant.** Consultants are used for staff augmentation for vacant positions and to assist with regulatory filings and the oversight of PSEG Long Island's energy efficiency and beneficial electrification activities, including strategies to meet the targets of New York's Climate Leadership and Community Protection Act (CLCPA). The department has a **2024 Operations and Maintenance (O&M) Budget of \$2.6 million** and **no Capital Budget**.

The PSEG Long Island Power Supply organization that LIPA oversees is composed of **101 FTEs** and has a **2024 O&M budget of \$18.8 million (excluding fringe costs)**, while the Clean Energy organization is composed of **26 FTEs** and has a **2024 O&M Budget of \$94.3 million (excluding fringe costs)** and **no Capital Budget**. Additionally, the Clean Energy organization oversees PSEG Long Island's annual **Utility 2.0 Plan**, which has a **2024 O&M Budget of \$14.8 million** (excluding fringe costs) and a Capital Budget of **\$10.8 million**.

Additionally, PS&CE:

- Advocates for LIPA's customers with federal and state regulatory bodies (e.g., Federal Energy Regulatory Commission (FERC), New York Independent System Operator (NYISO), etc.);
- Oversees LIPA's participation in the energy markets;
- Oversees LIPA's 18% ownership in the **Nine Mile Point Unit 2** nuclear generating station;
- Oversees power purchase agreements with National Grid and other suppliers of approximately **5,500 megawatts of generating capacity** and **3,000 megawatts of transmission interconnection agreements**;
- Oversees a separate contract with **PSEG Energy Resources and Trade (ER&T)** for power supply and commodity procurement including fuel, power and fuel scheduling, and hedging.

Together, these resources and contracts are responsible for driving **more than \$2 billion of the total LIPA O&M budget**.

III. Oversight of PSEG Long Island, PSEG Energy Resources & Trade (ER&T), National Grid and Other Power Suppliers

PS&CE leads LIPA's advocacy with key federal and state regulatory bodies, wholesale market participation, review and approval of integrated resource planning and all LIPA power contracts. Additionally, PS&CE exercises oversight of PSEG Long Island, PSEG ER&T, National Grid (via a federally regulated cost of service contract), and other power generators and service providers to ensure that each carries out activities in accordance with LIPA's wholesale market policies and the specific contractual obligations governing the relationship.

PS&CE also leads LIPA's oversight of activities to meet the Board's goal of achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's CLCPA, including oversight of PSEG Long Island's clean energy and energy efficiency programs.

Oversight of PSEG Long Island and PSEG ER&T Performance Metrics

LIPA's PS&CE Department is responsible for 1) proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, and 2) performing IV&V of PSEG Long Island's and PSEG ER&T's performance under each performance metric.

PSEG Long Island had **eight (8) PS&CE Performance Metrics** in 2023 ([link](#)). In 2024, PSEG Long Island has **six (6) PS&CE Performance Metrics** ([link](#)). Additionally, **PSEG ER&T has 15 Performance Metrics** related to Power Supply Management and Fuel Management (referred to as "Power Supply Hedging" in the introduction to this chapter) governed pursuant to a separate contract.

Each year, LIPA issues quarterly and annual reports on PSEG Long Island's performance under the metrics before awarding PSEG Long Island's Variable Compensation. Per the LIPA Reform Act, the Department of Public Service (DPS) also independently reviews LIPA's evaluation and provides a recommendation to the LIPA Board. LIPA's 2022 Year-End Report on PSEG Long Island's Performance Metrics ([link](#)) and most recent quarterly report ([link](#)) contain additional information on PSEG Long Island's past performance. LIPA's 2023 Year-End Report will be available to the public by May 2024.

Additionally, each year, LIPA reviews PSEG ER&T's performance under its separate contract. A summary of ER&T's 2022 performance ([link](#)) is available on lipower.org.

Oversight of PSEG Long Island Budgets

The PSEG Long Island Power Supply organization has a **2024 O&M Budget of \$18.8 million (excluding fringe costs) and no Capital Budget**. PSEG Long Island's Clean Energy programs have a 2024 O&M Budget of **\$94.3 million (excluding fringe costs) and no Capital Budget**. Additionally, LIPA's Clean Energy organization oversees the annual

Utility 2.0 Plan, which has a **2024 O&M Budget of \$14.8 million** (excluding fringe costs) and a Capital Budget of **\$10.8 million**.

LIPA's line-item and project-level review of PSEG Long Island's budget proposals for 2024 resulted in a **reduction to the PSEG Long Island Power Supply O&M Budget of \$0.1 million (-1%)**. This was offset by LIPA reclassifying **\$0.9 million of Utility 2.0 funds** PSEG Long Island had incorrectly proposed in its Capital Budget as an O&M expense, for a net increase in PSEG Long Island's Utility 2.0 O&M Budget of **\$0.9 million (+6%)** and a net reduction in its Utility 2.0 Capital Budget of **\$0.9 million (-8%)**. For more information about LIPA and PSEG Long Island's budgets, please see LIPA's 2024 Budget ([link](#)).

Other Oversight of PSEG Long Island

In addition to the activities outlined above, LIPA's PS&CE Department responsibilities include:

- **Power Supply and Transportation Contracts Oversight and Management** - Provide direction to PSEG Long Island in the management of all LIPA contracts related to power supply. This includes participating in counterpart negotiations to ensure the best outcome for LIPA customers and review and approval of all LIPA contracts.
- **Oversight of PSEG ER&T Day-to-Day Operations and Commodity Price Risk** – Oversight of ER&T's daily energy and commodity market activities on LIPA's behalf, including daily, weekly, and monthly reviews to ensure the proper operation and accounting of all power, gas, and fuel oil volumes for LIPA's generation fleet. The actual 2022 spend on purchased power and fuel commodities totaled **\$1.15 billion**.
- **Oversight of the Power Supply Charge** -- Oversight and direction to PSEG Long Island in the development of the monthly Power Supply Charge, including a detailed review of the complex model and consultative discussions with PSEG Long Island and ER&T to develop a monthly Power Supply Charge that provides accurate forecasting and predictable rates for customers.
- **Capacity Planning Oversight** -- Oversight of the power systems management group, including carefully reviewing and providing feedback on capacity position models.
- **Transmission Planning Oversight** - Oversight of the transmission planning group, including interconnection studies.
- **Storm Response and Extreme Weather Oversight** – Provide oversight of PSEG Long Island and ER&T's preparation and response to major storms, extreme weather, and other emergency events (e.g., ensuring a reliable and economically efficient switch to fuel oil is made at power plants when the natural gas system is stressed).
- **Clean Energy and Beneficial Electrification Oversight** - Provide oversight of PSEG Long Island's clean energy and energy efficiency activities, including electric vehicle infrastructure and heat pumps. Establish targets and programs to comply with the CLCPA, where LIPA must meet our share of the minimum level of 35% (with a 40% target) of benefits going to disadvantaged communities; and drive towards the goals outlined in New Efficiency New York (NENY) and the Governor's 2 million electric homes initiative.

Already Identified Consulting Costs Associated with PSEG Long Island Oversight

Already identified consulting costs associated with LIPA's oversight of Performance Metrics and other PSEG Long Island activities for 2024 are summarized in **Figure 17**. Each year, support needs also arise to meet emerging

priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 17: Already Identified Consulting Costs Associated with 2024 PSEG Long Island Performance Metrics and Oversight of PSEG Long Island Operations

Activity	Estimated Consultant Costs
IV&V of Clean Energy Performance Metrics, including: <ul style="list-style-type: none"> • PS&CE-03 Energy Efficiency Plan Savings, • PS&CE-05 Beneficial Electrification – Building Electrification, • PSE&CE-13 Heat Pump Strategy to Address Barriers to Customer Adoption, and • PS&CE-14 Transportation Electrification Strategic Initiatives 	\$700,000

IV. LIPA Operations

LIPA PS&CE's responsibilities include wholesale market policy and policy advocacy on behalf of customers, reviewing and approving all power supply agreements, and long-term planning, such as the Integrated Resource Plan. Operational responsibilities include:

- **Representing LIPA in the Wholesale Markets** – Participation and LIPA representation in various regulatory bodies, regional system operators, and industry forums (e.g., The Climate Action Council, FERC, NYISO, PJM, and Independent System Operator – New England (ISO-NE).
- **Stakeholder Management and Negotiations** – Manage relationships with external stakeholders, with a focus on clean energy projects and policy; represent LIPA in negotiations, particularly involving LIPA contracts.
- **Review New Technology and Projects** - Review new generation and transmission technologies with developers, manufacturers, federal laboratories, and others in the research and development field, pursuant to LIPA's review and approval of all power supply agreements. Assist with ad-hoc development of projects to meet CLCPA goals in a cost-effective manner.
- **Climate Disclosure Reporting** - Track and calculate annual emissions for NYS Climate Disclosure reporting.
- **Audits, Information Requests, and Reporting** – Provide information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the DPS Management Audit, and Board reporting.
- **Applications for Grant Funding** - Assist in the development of various plans and proposals to apply for grants from the federal government.
- **Subject Matter Expert Support for LIPA Business Units** – Provide ongoing SME support to other LIPA business units, including but not limited to providing support for any Power Supply or Clean Energy related communications by LIPA or third parties.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

PS&CE had **eight (8) 2023 Work Plan projects**, of which three have been completed. One project is carried over to 2024, and the remaining four are multi-year efforts. The status of each project and the associated deliverables is detailed in **Appendix A**. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 18**.

Figure 18: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Complete Integrated Resource Plan	The 2023 Integrated Resource Plan (IRP) briefings were conducted with key stakeholders and media outlets. The Board of Trustees was briefed publicly during the November 2023 Board meeting. Communications materials have been completed and posted to the LIPA website. Public comment sessions on the 2023 IRP will be conducted in February 2024, with consideration by the Board of Trustees scheduled for Q2 2024. A series of follow-on studies from the IRP are ongoing and other recommended actions have been incorporated into the Work Plan and Performance Metrics.
Plan for CRIS Rights and Power Supply Agreement Extension Beyond 2028	LIPA outlined a negotiating strategy and drafted a term sheet reflecting LIPA's preferred terms for transferring Capacity Resource Interconnection Service (CRIS) rights from National Grid-generating units anticipated to be phased out due to future clean energy projects. Additionally, the team prepared a preliminary list of contract terms and conditions that may need to be updated under a contract extending beyond 2028. Discussions with National Grid kicked off in January 2024.
Develop Large Generator (>20MW) Interconnection Status Tracking System with NYISO and Transmission Owners	LIPA established standardized data that PSEG Long Island will track and report and worked closely with PSEG Long Island and NYISO to reform and streamline the interconnection process in anticipation of a Q1 2024 FERC filing. The team will continue to increase coordination with NYISO on interconnection tracking throughout 2024. FERC has proposed penalties for interconnection delays. The tracking of hand-offs between parties and management oversight will be important components of ensuring timely interconnections.
Meet LIPA's Share of State Battery Storage Goal for 2025 and 2030	LIPA and National Grid have signed a Letter of Intent containing the terms and conditions for a "lease with the option to purchase" agreement for the West Babylon property and have agreed on the appraiser's fair market value estimate. Contract negotiations with selected developers for multiple battery storage projects continue. The next steps include executing a lease agreement for the West Babylon property, finalizing contract negotiations with storage developers, gaining Board approval for storage contracts, and obtaining AG and OSC approvals for contracts. LIPA has had discussions with NYSERDA on procurement options that involve both LIPA procurement, where advantageous, and procurement of battery storage on Long Island through NYSERDA programs.
Options Analysis for the ER&T Contract	A subject matter expert was engaged to conduct the Options Analysis (note that the current ER&T contract expires in December 2025). LIPA initiated discussions with several potential vendors to assess alternatives. Interim and final findings were completed and reviewed with LIPA management. A 2024 Work Plan has been developed to manage execution of the expiring contract based on the findings.
Implement Heat Pump Deployment Roadmap	LIPA completed an analysis of the spending on heat pumps and provided recommendations to improve the low-and-moderate income (LMI) Heat Pump Rebate Program. These recommendations included informing LIPA of any changes introduced to the rebate program in advance. LIPA also suggested changes to increase the amount of disadvantaged communities (DAC) spending. Improvements were made to the data collection for heat pump rebates to obtain leading indicators for the program outcomes. As part of the 2023 heat

	pump roadmap Performance Metric, LIPA developed additional improvements related to customer tools, outreach, supply chain, and enhancements. Lastly, LIPA analyzed and created profiles for Long Island customers to determine the need and impact of a time-of-day rate for electric heating customers. A 2024 Performance Metric will implement programmatic changes to address customer heat pump adoption barriers as part of the multi-year heat pump strategy.
EV Make-Ready and Energy Efficiency Program Review	LIPA secured the expertise of electric vehicle and heat pump specialists to thoroughly examine the results of the performance metrics for 2022 and 2023. As part of that review, LIPA assessed the energy efficiency lighting calculations. LIPA worked with PSEG Long Island to align the energy savings approach for lighting, reassess spending amounts for energy efficiency, and increase LMI spending as part of Utility 2.0. LIPA refined the 2024 Performance Metrics to achieve critical objectives and will work closely with DPS and NYSEERDA to ensure alignment with opportunity assessments and research. LIPA will continue to provide PSEG Long Island with feedback on their Utility 2.0 filing, including comparing best practices and other utilities.
Implement the Long Island Clean Energy Hub	In 2023, LIPA and NYSEERDA held several meetings to develop a Memorandum of Understanding (MOU). The most recent version of the MOU is under review by NYSEERDA. As of January 2024, LIPA's understanding is that the MOU is nearly finalized. Once the MOU is approved and signed, LIPA, NYSEERDA, and PSEG Long Island will commence implementation of the work scope described in the MOU. A Work Plan has been developed for 2024 to manage the implementation efforts.

2024 LIPA Work Plan Projects

For 2024, PS&CE is proposing **nine (9) Work Plan projects**, as summarized in **Figure 19**. Additional detail on each project is available in **Appendix B**.

PS&CE's top priority in 2024 is seeking to negotiate and execute a new power supply and fuel management contract to replace the current expiring service contract with PSE&G ER&T. In addition, PS&CE will work to ensure that LIPA meets the goals of the CLCPA and other clean energy objectives. PS&CE's priorities are aligned with Board Policy and reflected in specific 2024 oversight activities and Work Plan Projects.

Figure 19: Summary of 2024 LIPA Work Plan Projects

Title	Description
Meet LIPA's Share of State Battery Storage Goal for 2025 and 2030	This is the continuation of LIPA's 2023 Work Plan project. Meet LIPA's Share of State Battery Storage Goal for 2025 and 2030, which is a key element for meeting the CLCPA goal of a decarbonized electric grid by 2040.
Plan for CRIS Rights and Power Supply Agreement Extension Beyond 2028	This is the next phase of LIPA's 2023 Work Plan project. Execute a strategy to maximize the value of CRIS rights at legacy generation sites, including negotiations with National Grid. Develop the form of contract and desired terms for contract extension negotiation with National Grid.
Develop Large Generator (>20MW) Interconnection Status Tracking System with NYISO and Transmission Owners	This is the continuation of LIPA's 2023 Work Plan project. Develop status tracking system for large generator (>20MW) interconnection requests to provide greater internal visibility. Review and implement business process improvements.
Develop an EV Infrastructure Tactical Implementation Strategy	Develop a tactical plan for EV infrastructure guided by the 5-year clean energy roadmap and EV 2024 metric PS&CE-14 to forecast and plan the system.
Implement the Long Island Clean Energy Hub	This is the continuation of LIPA's 2023 Work Plan project. Implement Long Island's Clean Energy Hub in partnership with NYSERDA and regional partners to centralize an information hub about LIPA's programs, policies, and activities with consistent messaging and accuracy.
Meet New Clean Energy Reporting Objectives	Create a clean energy dashboard to monitor program progress towards clean energy goals, inform the IV&V processes, and support the annual DAC reporting process.
Plan for New Power Supply and Fuel Management Contract Beginning January 2026	This is the next phase of LIPA's 2023 Work Plan project. Prepare for the Power Supply and Fuel Management Contract expiration on 12/31/2025 by executing a New Power Supply and Fuel Management Contract.
Develop Commercial Community Storage Incentive Plan	Develop a Commercial "Community Storage" program to meet LIPA's retail storage objectives in preparation for a 2025 rollout to meet the goals of New York's storage roadmap
Complete Integrated Resource Plan	This is the continuation of LIPA's 2023 Work Plan project. The remaining task is to conduct public hearings and obtain Board approval for the 2023 IRP.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 20**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 20: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Title	Estimated Consultant Budget
Develop an EV Infrastructure Tactical Implementation Strategy	\$500,000
Meet New Clean Energy Reporting Objectives	\$175,000
Plan for New Power Supply and Fuel Management Contract Beginning January 2026	\$250,000
Plan for CRIS Rights and Power Supply Agreement Extension Beyond 2028	\$150,000

Chapter 4: Office of the COO

The Office of the Chief Operating Officer (COO) manages the **Department of Innovation and Information Technology (DolIT)** and the **Strategy and Performance Management Office (SPMO)**.

DolIT is responsible for LIPA's internal information technology (IT) and cybersecurity, as well as oversight of PSEG Long Island's IT and cybersecurity organizations.

SPMO's work includes coordinating with subject-matter experts to establish LIPA's strategy to meet the Board's policy objectives, translating that strategy into annual work plans and service provider performance metrics, and monitoring and reporting on these objectives, including LIPA's processes for IV&V of the service provider's performance.

Innovation and Information Technology

I. Overview

DolIT supports LIPA's purpose through the Board Policy for **Information Technology and Cyber Security**, which provides that LIPA's vision for information technology and cyber security is to use technology to enhance and simplify the customer experience, improve reliability, and minimize operating costs, while ensuring robust, secure technology platforms that provide operational stability and protect customer, employee, and third-party data from unauthorized access or disruption.

II. Organizational Structure

LIPA DoIT reports to the COO and has **eleven (11) authorized positions**, an increase of two (2) positions from 2023. **One (1) position is currently vacant**, and contractors are used for staff augmentation for vacant positions and as needed to provide subject matter expertise and specialized skillsets, including in areas such as grid modernization, operational technology (OT), and cybersecurity; and for resourcing time-limited projects and LIPA IT operational support. **Most of the LIPA DoIT positions are primarily dedicated to LIPA's IT operations rather than oversight of PSEG Long Island.** The department has a **2024 O&M Budget of \$11.5 million** and a **Capital Budget of \$9.0 million, covering LIPA IT systems and support as well as oversight of PSEG Long Island's IT, OT, and cyber organization.**

The PSEG Long Island IT, OT, and cyber organizations that LIPA oversees are responsible for all IT and OT systems managed by PSEG Long Island on behalf of LIPA, including a **2024 Capital project portfolio of over 50 small to very large projects.** The PSEG Long Island organization is comprised of **184 FTEs**, supplemented by over **250 contractors and consultants** and **additionally supported by employees of PSEG affiliate companies based in New Jersey.** Collectively, the PSEG Long Island's IT and cyber security organizations have a **2024 O&M Budget of \$96.8 million (excluding fringe costs)** and a **Capital Budget of \$110.1 million**, including pending project authorizations.

III. Oversight of PSEG Long Island Operations

DoIT is responsible for oversight of PSEG Long Island's IT, OT, and cyber security management and operations in accordance with the LIPA Reform Act and the OSA. DoIT oversight aims to ensure that LIPA's IT and OT assets managed by PSEG Long Island are aligned with LIPA's strategic direction, the Board Policy on Information Technology and Cyber Security, and the OSA; driving performance improvements to ensure that technology platforms are robust, secure and provide operational stability, and systems implementations deliver on business requirements in a timely and cost-effective manner.

Oversight of PSEG Long Island Performance Metrics

LIPA's DoIT is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well as for performing IV&V of PSEG Long Island's performance under each metric.

PSEG Long Island had **seven (7) IT and cybersecurity Performance Metrics** in 2023 ([link](#)). In 2024, PSEG Long Island has **nine (9) IT and cyber security metrics** ([link](#)).

Each year, LIPA issues quarterly and annual reports on PSEG Long Island's performance under the metrics before awarding PSEG Long Island's Variable Compensation. Per the LIPA Reform Act, the Department of Public Service (DPS) also independently reviews LIPA's evaluation and provides a recommendation to the LIPA Board. LIPA's 2022 Year-End Report on PSEG Long Island's Performance Metrics ([link](#)) and most recent quarterly report ([link](#)) contain additional information on PSEG Long Island's past performance. LIPA's 2023 Year-End Report will be available to the public by May 2024.

Oversight of PSEG Long Island Budgets

The PSEG Long Island IT and cyber organizations have a collective **2024 O&M Budget of \$96.8 million (excluding fringe costs)** and a **Capital Budget of \$110.1 million** including pending project authorizations. LIPA's line-item and project-level review of PSEG Long Island's budget proposals for 2024 resulted in significant customer savings:

- PSEG Long Island IT and Cybersecurity Operating Budget Request – LIPA DoIT reviews PSEG Long Island's O&M budget request and makes recommendations to the LIPA Board. **LIPA's review of PSEG Long Island's 2024 IT O&M Budget request resulted in a reduction of \$26.3 million (21%).**
- PSEG Long Island IT and Cyber Security Capital Budget Request – LIPA DoIT reviews PSEG Long Island's capital budget request and makes recommendations to the LIPA Board. **LIPA's review of PSEG Long Island's 2024 IT and Cyber Security Capital Budget request resulted in a reduction of \$41 million (29%).**

For more information about LIPA and PSEG Long Island's budgets, please see LIPA's 2024 Budget ([link](#)).

Other Oversight of PSEG Long Island

In addition to the activities outlined above, LIPA DoIT's oversight responsibilities include:

- **Oversight of Day-to-Day IT Operations** – Oversight of PSEG Long Island's management of the daily operation of IT/OT systems and cybersecurity, including the root cause of issues.
- **Emergency Response Planning Oversight** – Annual review and approval of IT-related elements of PSEG Long Island's Emergency Response Plan, BCPs, and drills, as required by the OSA.
- **IV&V of PSEG Long Island Cyber Security Default Metric** – Oversight and assessment of compliance with the Cyber Security Default Metric, including annual PSEG Long Island Cyber Security maturity assessments utilizing the NIST Cybersecurity Framework (CSF) conducted by an independent LIPA consultant and IV&V of any resulting remediations. The Cyber Security Default Metric in the reformed OSA provides LIPA with the right to terminate the contract should PSEG Long Island fail to maintain compliance with cyber security standards.
- **IV&V of PSEG Long Island IT Systems** – Risk-based IV&V of IT Systems managed by PSEG Long Island, including performance testing, functional testing, stress testing, security and penetration testing, and compliance and performance audits and assessments, with a particular focus on new IT and OT system implementations or significant changes to the IT environment.
- **IV&V of Board Isaias Task Force and Management Recommendations** – Monitoring and IV&V of PSEG Long Island's efforts to implement open IT-related Recommendations adopted by the Board following Tropical Storm Isaias.
- **SME Support for all LIPA Oversight Activities with IT Elements** – Provide technical expertise for all LIPA oversight activities that include review of IT/OT systems, such as IT-related Internal Audits.

Already Identified Consulting Costs Associated with PSEG Long Island Oversight

Already identified consulting costs associated with LIPA's oversight of Performance Metrics and other PSEG Long Island activities for 2024 are summarized in **Figure 21**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 21: Already Identified Consulting Costs Associated with 2024 PSEG Long Island Performance Metrics and Oversight of PSEG Long Island Operations

Activity	Estimated Consultant Costs
IV&V of 2024 PSEG Long Island Cyber Security Default Metric	\$300,000
IV&V of 2023 PSEG Long Island Performance Metric IT-01: Organizational Maturity	\$100,000
IV&V of 2024 PSEG Long Island Performance Metric IT-01: Organizational Maturity	\$100,000
IV&V of 2024 PSEG Long Island Performance Metrics IT-03: System Resiliency – Business Continuity Plans and Functional Drills; and IT-10: System Resiliency – Disaster Recovery Plans and Testing	\$600,000
Conduct Assessment per 2024 PSEG Long Island Performance Metric IT-09: IT Planning – Ransomware Readiness and Response	\$450,000
IV&V of 2024 PSEG Long Island Performance Metrics IT-05 and IT-06: Project Performance and IT initiatives under other functional scopes, such as Time-of-Day (a portfolio of over two dozen IT, OT, and Cyber projects)	\$1,700,000
IV&V of 2024 PSEG Long Island Performance Metric IT-07 System Segregation	\$900,000
IV&V of 2024 PSEG Long Island Performance Metrics IT-04 Software Lifecycle Management, IT-08: Cyber Security Organization Implementation	\$100,000

IV. LIPA Operations

DolIT is responsible for all LIPA-managed IT assets and their cybersecurity. In addition to managing and supporting all systems and infrastructure, DolIT is a strategic partner to LIPA's business units, providing integrated business solutions to use technology more effectively and efficiently and ensuring that LIPA's IT focus is aligned with LIPA's strategic direction. Ongoing activities include:

- **Maintenance and Support of LIPA-Managed IT/Business Systems and Infrastructure** – Maintain, manage, and support IT systems, infrastructure, and services to LIPA and the Board of Trustees to enable LIPA operations. Contractors/consultants are used for staff augmentation for functions such as the Help Desk, network infrastructure, and business applications (accounting, budgeting, treasury, human resource, procurement systems, etc.). **These support costs are approximately \$1.9 million annually.**

- **LIPA Cyber Security and Disaster Recovery Program** – Cyber security planning, management, and architecture to protect LIPA’s information systems and assets and to manage and minimize risk to acceptable levels. This includes annual third-party vulnerability assessments and penetration testing of all IT systems and an annual independent assessment of LIPA’s NIST Cybersecurity Framework level, as required by Board Policy. Contractors are used for staff augmentation in cyber security, including architecture, vulnerability management, and system administration, at a **support cost of about \$1 million annually**.
- **Audits, Information Requests, and Reporting** – Provide information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the DPS Management Audit and Board reporting.
- **Working Groups and Associations** – Participation and LIPA representation on various industry working groups and associations, including the LPPC Cybersecurity Task Force.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

DolIT had **eight (8) 2023 Work Plan projects**, of which five have been completed. Two (2) projects are carried over to 2024, and one (1) project was deferred until 2025 due to competing priorities. The status of each project and the associated deliverables is detailed in **Appendix A**. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 22**.

Figure 22: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Conduct Review of PSEG Long Island Cyber Security	LIPA completed a review by an independent third party of PSEG Long Island's cybersecurity readiness under the Cybersecurity Default Metric based on the NIST Cyber Security Framework. PSEG Long Island is developing work plans to complete the remediations identified in the report. LIPA will independently review PSEG Long Island's NIST CSF compliance in 2024 to ensure remediation of prior findings and compliance with the Default Metric.
Cyber Security Organization - Structure, Staffing and Capabilities Review	LIPA and PSEG Long Island worked together to evaluate PSEG Long Island's cybersecurity structure and framework. The assessment led to the development of a final report that offered suggestions on staffing, capabilities, and the future state of the organization to support PSEG Long Island's cybersecurity program. The report also estimated the cost of implementing the recommendations. LIPA included funding for the positions identified in the new organizational design in PSEG Long Island's 2024 Budget. PSEG Long Island plans to implement the organizational design recommendations, hire staff, and establish the organization in 2024. 2024 Performance Metric IT-08 will track the progress of this initiative.
LIPA Cybersecurity Enhancements	LIPA hired an independent third-party to evaluate its maturity for systems directly managed by LIPA IT under the NIST Cyber Security Framework. The project resulted in a Current State Profile, Risk Register, and Target State profile, along with penetration testing, an on-site vulnerability assessment, and a PII scan. LIPA remediated all the high and medium vulnerabilities and continues to enhance the maturity of its programs under NIST CSF.
Deploy New LIPA Treasury Management System	LIPA successfully implemented a new Treasury Management System in 2023. This new system provides the technology that will enhance the performance and efficiency of LIPA's treasury team and meet LIPA's present and future financial system automation needs. In addition, it facilitates the inter-exchange of financial information between two mission-critical systems for accounting and treasury.

LIPA Planning and Budget Management Modernization and Business Process Improvement Initiative	LIPA successfully implemented an advanced Enterprise Planning and Budgeting System in 2023 that has significantly better capabilities for budget planning, development, monitoring, and reporting for both LIPA and PSEG Long Island. This state-of-the-art system streamlines business processes and will substantially increase efficiencies and provide advanced analysis capabilities for better decision-making. The new system represents a significant step in modernizing LIPA and PSEG Long Island's operations and financial management capabilities.
Conduct 2023 Appraisal of PSEG Long Island IT Organizational Maturity Metrics	LIPA contracted a CMMI consultant to conduct an independent appraisal of the Organizational Maturity of the PSEG Long Island IT Department as measured to the CMMI Framework. Although the appraisal start date was set for December 2023, it was rescheduled first to January 2024 and then to February 2024 due to scheduling conflicts and resource constraints at PSEG Long Island and delays in receiving necessary information for the appraiser to begin. LIPA is currently working with PSEG Long Island to ensure alignment with the performance metric requirements and exclusion terms, compile a comprehensive list of eligible projects for the 2023 appraisal, and conduct the appraisal using the ISACA method definition document (MDD). However, despite several requests, LIPA has yet to receive a valid list of projects and project exclusion justifications from PSEG Long Island, which is necessary to perform the 2023 appraisal. LIPA continues to make requests of PSEG Long Island to advance the independent appraisal.
LIPA Crisis Management Plan Program Improvements	LIPA has been making significant efforts to ensure it is well-equipped to handle any potential crisis that may arise. To achieve this, LIPA has developed a comprehensive Crisis Management Plan (CMP) in alignment with the current response structure and planning efforts of PSEG Long Island. Additionally, to test the plan's effectiveness, LIPA conducted a tabletop Crisis Management Exercise. The CMP has also been updated to include position-specific roles and activation procedures. Furthermore, to facilitate War Room operation, LIPA has scoped the development of Uniondale and Hicksville War Rooms. A technology deployment was required to support the War Room operation, and LIPA is procuring the required technology, which will take longer than anticipated. LIPA expects the new technology solution to be deployed in Q2-2024. Additionally, the LIPA Crisis Management Team intends to initiate Crisis Management training in Q1-2024 and complete two training and exercise sessions each year. LIPA remains committed to ensuring the safety and well-being of its stakeholders by being well-prepared to manage crises.
LIPA Deployment of Document and Records Management System	LIPA originally planned to implement Wave 2 in 2023, but due to difficulties finding a qualified project manager and competing priorities, the project has been deferred to 2025.

2024 LIPA Work Plan Projects

For 2024, DoIT is proposing **six (6) Work Plan projects**, as summarized in **Figure 23**. Additional detail on each project is available in **Appendix B**.

The catastrophic system failures during Tropical Storm Isaias and the resulting negative impacts to customers highlighted the criticality of technology systems and infrastructure to LIPA's ability to serve its customers. **As detailed in the 30-Day ([link](#)) and 90-Day ([link](#)) Tropical Storm Isaias Reports, the Isaias Task Force (ITF) found that planning and management of IT/OT assets by PSEG Long Island was severely deficient.** The ITF further found that representations by PSEG Long Island to LIPA on the status of systems and projects had been unreliable, misleading, or erroneous. In addition to the customer effects during the storm, mitigating the IT/OT failures of Tropical Storm Isaias resulted in over \$48 million of additional cost to remediate systems already paid for by LIPA customers. The Board concluded that more direct oversight and IV&V by LIPA was essential to mitigate the risks and costs to customers, and these responsibilities were formalized in the reformed OSA in 2022.

Consequently, oversight and IV&V of PSEG Long Island's IT and cyber security management and operations remains a top priority for DoIT in 2024, with a focus on cyber security and ransomware readiness, system resiliency and emergency preparedness, organizational maturity and project performance, and grid modernization IT/OT projects in the advancement of LIPA's strategic direction and 5-Year Roadmap.

Additionally, DoIT will prioritize continuous improvement of its internal cyber security posture, as well as maintaining excellence in the provision of systems and services to LIPA staff and the Board.

The priorities are aligned with Board Policy and the 5-Year Strategic Roadmap and are reflected in specific 2024 oversight activities and Work Plan Projects.

Figure 23: Summary of 2024 LIPA Work Plan Projects

Title	Description
Conduct 2023 Appraisal of PSEG Long Island IT Organization CMMI Maturity Level	Appraisal of PSEG Long Island IT Department CMMI Maturity Level by a LIPA consultant, as required by the 2023 PSEG Long Island IT-01 Organizational Maturity metric, to improve PSEG Long Island's capability to implement IT projects efficiently and effectively, guided by industry-standard assessment models.
Conduct Assessment of PSEG Long Island Business Continuity and Disaster Recovery Program	Assessment by LIPA consultant of PSEG Long Island Business Continuity and Disaster Recovery Program, pursuant to 2024 PSEG Long Island IT-03 and IT-10 System Resiliency metrics.
Conduct 2024 Review of PSEG Long Island Cyber Security	Conduct review of PSEG Long Island's Cyber Security for 2024 to ensure compliance with the 2024 PSEG Long Island cyber security default performance metric.
Conduct 2024 Benchmark Appraisal of PSEG Long Island IT Organization CMMI Maturity Level	Benchmark Appraisal of PSEG Long Island IT Organization CMMI Maturity Level by a LIPA consultant, as required by the 2024 PSEG Long Island IT-01 Organizational Maturity metric, to improve PSEG Long Island's capability to implement IT projects efficiently and effectively, guided by industry standard assessment models.
Conduct Assessment of PSEG Long Island Ransomware Readiness and Response	Current-state assessment by an independent LIPA consultant of PSEG Long Island's Ransomware Readiness and Response to ensure recovery from an incident, pursuant to 2024 PSEG Long Island IT-09 metric.
LIPA Crisis Management Plan Program Improvements	Enhance LIPA's readiness to execute its Crisis Management Plan.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 24**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 24: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects¹

Title	Estimated Consultant Budget
LIPA Crisis Management Plan Program Improvements	\$100,000

Strategy and Performance Management (SPMO)

I. Overview

The LIPA Strategy and Performance Management Office (SPMO) is responsible for implementing the Board's Policy on **Strategic Planning and Performance Management**. SPMO manages the entire performance management process lifecycle, which includes the process for creating and managing 5-Year Roadmaps, developing and monitoring the annual LIPA Work Plan and PSEG Long Island Performance Metrics, and overseeing the Performance Metrics IV&V and reporting process. Additionally, they SPMO assists LIPA departments in defining and executing project plans and implementing new business process optimization and business analytics initiatives.

II. Organizational Structure

The LIPA SPMO has **five (5) budgeted positions**, an increase of two positions from 2023. **Two (2) positions are currently vacant**, and contractors are used for staff augmentation for vacant positions. The office is comprised of two groups: Strategy and Performance Management and Enterprise Program Management (EPMO). The SPMO has **no Capital Budget** and a **2024 O&M Budget of \$3.0 million**, which covers ongoing responsibilities as well as one-time initiatives such as process reviews and the 5-year Road Map development initiatives.

III. Oversight of PSEG Long Island Operations

The SPMO does not have any direct oversight responsibilities but oversees and supports the process for the entire Performance Metrics lifecycle at LIPA, including proposing, adopting, IV&V, and reporting on metrics.

Already Identified Consulting Costs Associated with PSEG Long Island Oversight

Already identified consulting costs associated with LIPA's oversight of Performance Metrics are summarized in **Figure 25**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

¹ Excludes estimated consultant costs identified as part of IV&V of PSEG Long Island IT Performance Metrics in Figure 21.

Figure 25: Already Identified Consulting Costs Associated with 2024 PSEG Long Island Performance Metrics and Oversight of PSEG Long Island Operations

Activity	Estimated Consultant Costs
Performance Metrics Life Cycle Management Support	\$200,000

IV. LIPA Operations

The SPMO's main responsibilities are to establish and advance LIPA's strategy to meet the Board's policy objectives and to advance the organizational maturity within LIPA to effectively employ performance management mechanisms and standards for internal planning processes and oversight efforts. Ongoing activities include:

- **Establish LIPA's Strategy to Meet the Board's Policy Objectives** - This includes managing the process of translating the strategy into Work Plans and service provider Performance Metrics, and monitoring and reporting on these objectives.
- **Continuous Improvement of Project Performance** - Develop LIPA's project management capabilities and capacity, and improve cross-functional project collaboration, integration, and coordination.
- **Manage Annual LIPA Work Plan Lifecycle** - Develop and manage the annual LIPA Work Plan, including identification of projects that advance the 5-year roadmaps, managing the Work Plan, and supporting departments in defining and executing project plans, monitoring work execution, and reporting.
- **Process Optimization and Data Analytics** - Develop and implement new initiatives for business process optimization and business analytics. This increases productivity within the LIPA organization.
- **Performance Management 5-Year Strategic Roadmap** – Ensure execution of the multi-year strategic plan, monitor and report progress.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

SPMO had **four (4) 2023 Work Plan projects**. One (1) project is a multi-year effort scheduled to run through 2024, one (1) is being carried over to 2024, and one (1) was deferred until 2025 due to resource constraints and competing priorities. The remaining project was canceled during 2023 due to substantial overlap with another initiative and ultimately resulted in and converted to the 2024 Performance Metric BS-35 performance metric scheduled to begin in early 2024. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 26**.

Figure 26: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Develop Strategic Roadmaps	In February 2023, the LIPA Board formally adopted the 5-year roadmaps for Customer Experience, Transmission and Distribution Operations, Information Technology and Cybersecurity, Performance Management, and Finance. In November 2023, the process to develop the 5-year strategic plans and roadmaps for Power Supply, Clean Energy, and Business Services launched. Initial consultations with LIPA functional leadership were completed to identify key strategic topics and areas for deeper exploration. In 2024, the team will focus on the development of the Discovery Report that will capture the strategic priorities and performance gaps, conduct interviews with external industry experts to identify critical trends and best practices, determine the recommended priorities and business improvement initiatives for each scope area, and complete an implementation roadmap with critical milestones. A combined 5-year Strategic Plan and Roadmap document will be presented to the LIPA Board of Trustees.
Develop the Framework for Independent Verification and Validation (IV&V) and Performance Management	LIPA has initiated the procurement process to hire a subject matter expert who can carry out a comprehensive review of LIPA's existing IV&V process. The aim is to identify any gaps in the current policies, processes, and technology and suggest recommendations to enhance the overall performance management framework. The recommendations may include the development of guidelines, procedures, processes, and training programs for LIPA employees. However, during the initial procurement process, LIPA could not find any qualified vendors. Therefore, we plan to reissue the RFP early in 2024. To accelerate the review process, LIPA is currently examining and documenting the existing state processes for vendor review.
Create Business Process Optimization Practice	LIPA procured a vendor to assist in designing a business process optimization function based on industry best practices. The project formally started in early October 2023 with stakeholder interviews to determine current state capabilities. LIPA currently manages such initiatives through Work Plan projects and Performance Metrics. The team completed the organizational functional design in 2023, whereby the BPO practice would serve as a resource to the subject-matter expert teams. The focus of the project would also include formalizing policies and procedures. However, the remaining scope of this project has been deferred to 2025 due to competing priorities. LIPA continues to perform business process optimization projects on an ad-hoc basis through Work Plan projects and Performance Metrics, including for 2023 in Fleet Management, the Customer Operations Study, the Meter Inventory Management Redesign, the Contact Center Improvement Plan, the Heat Pump Deployment Roadmap, the IT Organizational Maturity Metrics, the

	Cyber Security Organization review, the Rate Department Capabilities project, the Insurance Optimization Study, the Storm Cost Management and Billing Process Review, the project to Create the Property Tax Practice, the PSEG Long Island Procurement Life Cycle review, the project to Enhance LIPA Procurements, the Budget Development and Monitoring project, and the Capital Project Outreach Review, among others.
Performance Monitoring Framework	The project was canceled. It was determined that there was substantial overlap with a Finance Work Plan project. Ultimately, that Finance project resulted in 2024 PSEG Long Island Performance Metric BS-35.

2024 LIPA Work Plan Projects

For 2024, the SPMO is proposing **two (2) Work Plan projects**, as summarized in **Figure 27**. Additional detail on each project is available in **Appendix B**.

In 2024, the SPMO is planning to focus on several key objectives. Firstly, the office aims to finalize the evaluation of Service Provider 2023 Performance Metrics and launch the 2024 Performance Metrics.

Secondly, the SPMO will work towards enhancing the maturity of EPMO (Enterprise Project Management Office) processes and improving assistance to LIPA departments with project management of the LIPA Work Plan.

Third, SPMO will carry out an assessment of the IV&V processes currently in place within LIPA and opportunities for enhancement, including establishing standards and guidelines for various deliverables. Additionally, SPMO will implement new measures to simplify the IV&V process.

Finally, SPMO will complete the development of the 5-Year Strategic Roadmaps for Power Supply, Clean Energy Programs, and Business Services.

The priorities are aligned with Board Policy and the 5-Year Strategic Roadmap, and are reflected in specific 2024 Work Plan Projects.

Figure 27: Summary of 2024 LIPA Work Plan Projects

Title	Description
Develop the Framework for Independent Verification and Validation (IV&V) and Performance Management	Establish an Independent Verification and Validation (IV&V) Framework, including standards for Service Provider deliverables and overall performance management within the organization.
Develop Strategic Roadmaps	Development of 5-Year Strategic Roadmaps to advance Board Policies for Power Supply, Clean Energy Programs, and Business Services.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 28**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 28: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Title	Estimated Consultant Costs
Develop the Framework for Independent Verification and Validation (IV&V) IV&V and Performance Management	\$300,000
Develop 5-Year Strategic Roadmaps	\$350,000

Chapter 5: Finance

I. Overview

The LIPA Finance Department advances a number of the Board's policies, including: fiscal sustainability; customer value, affordability, rate design; economic development; prompt payment; interest rate exchange agreements; and investment management. The team ensures that the organization's financial strategies align with the Board's goals and objectives.

The Finance Department is responsible for managing and overseeing the budget process for LIPA and PSEG Long Island. This includes developing, monitoring, and evaluating annual budgets and providing variance reporting. The team also manages the rate design strategy and the tariff, including related performance metrics. This ensures that the rates are reasonable and affordable for customers.

Furthermore, the Finance Department manages daily cash needs and funding for PSEG Long Island accounts, cash flow and liquidity targets, investments, and handles the issuance of bonds to finance long-term infrastructure assets. The team also manages monthly financial reporting, oversees regulatory filings, including external audit and financial disclosure requirements for bond covenant and grant compliance.

II. Organizational Structure

The LIPA Finance Department has **21 budgeted full-time positions and three (3) part-time positions**, a decrease of two full-time positions from 2023. **Two (2) positions are currently vacant. Most of the LIPA Finance Department's positions are primarily related to LIPA's operations rather than oversight.** The department has a **2024 O&M budget of \$8.7 million**, including costs related to debt issuance, cash management, grant compliance, financial audits, regulatory filings, and other costs of having public-market debt. The Finance Department does not have a

Capital Budget, but there are funds in the DoIT Capital Budget for enhancement to Finance Department IT systems, including the accounting, budget, and treasury systems.

The PSEG Long Island Finance organization is composed of **61 employees** and has a **2024 O&M budget of \$7.5 million (excluding fringe costs)** and **no Capital Budget**.

III. Oversight of PSEG Long Island Operations

Oversight of PSEG Long Island Performance Metrics

LIPA's Finance Department is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well for performing IV&V of PSEG Long Island's performance under each metric.

PSEG Long Island had **four (4) Performance Metrics** related to Finance in 2023 ([link](#)). In 2024, PSEG Long Island has seven **(7) Finance metrics** ([link](#)).

Each year, LIPA issues quarterly and annual reports on PSEG Long Island's performance under the metrics before awarding PSEG Long Island's Variable Compensation. Per the LIPA Reform Act, the Department of Public Service (DPS) also independently reviews LIPA's evaluation and provides a recommendation to the LIPA Board. LIPA's 2022 Year-End Report on PSEG Long Island's Performance Metrics ([link](#)) and most recent quarterly report ([link](#)) contain additional information on PSEG Long Island's past performance. LIPA's 2023 Year-End Report will be available to the public by May 2024.

Oversight of PSEG Long Island Budgets

The LIPA Finance Department is responsible for managing and overseeing the budget process for PSEG Long Island. This includes developing, monitoring, and evaluating annual budgets and providing variance reporting.

LIPA's line-item and project-level review of PSEG Long Island's budget proposals for 2024 resulted in a **\$75 million (11%) reduction to PSEG Long Island's O&M Budget request** and a **\$94 million (11%) reduction to PSEG Long Island's Capital Budget request, while fully funding inflationary increases and investing in new initiatives to meet the Board's strategic objectives**.

There were no significant changes to PSEG Long Island's 2024 Finance organization O&M Budget from LIPA's review. For more information about LIPA and PSEG Long Island's budgets, please see LIPA's 2024 Budget ([link](#)).

Other Oversight of PSEG Long Island

In addition to the activities outlined above, LIPA's Finance Department oversight responsibilities include:

- **Review and Approval of Tariff Statements** – Review and approve the periodic and ad hoc updates to the tariff statements prepared by PSEG Long Island before they are implemented in the billing system.

- **Tariff Program Management** – Monitoring and oversight of programs authorized by the tariff and managed by PSEG Long Island, including LI Choice, Community Choice Aggregation, community solar, on-bill financing, net metering, low-income/energy affordability, economic development, SC-13 negotiated contracts (LIRR, BNL, etc.), and dynamic load management.
- **Typical Bill Projections** – Create meaningful and accurate projections for the typical bills for key customer segments (residential, small commercial, large commercial, and MRP commercial).
- **Grant Compliance** – Ensure spending complies with federal standards and oversight of project status and reporting. This effort is supported by consultants and grants typically reimburse administrative costs, including the consulting costs, as part of the grant application.
- **Review and Approve Annual Operating and Capital Budgets** – Oversee the development of the annual operating and capital budgets of PSEG Long Island. Ensure a thorough understanding of the requested and required budget funding levels, including operational work plans, regulatory and contractual elements.
- **Administer Capital Project Funding Levels** – Manage the review and approval process of capital Project Justification Documents (PJD) for each proposed project to ensure that they are justified and aligned with Board policies and LIPA goals. LIPA funds approximately **200 capital projects** annually with budgets typically over **\$700 million**.

Already Identified Consulting Costs Associated with PSEG Long Island Oversight

Already identified consulting costs associated with LIPA's oversight of Performance Metrics and other PSEG Long Island activities for 2024 are summarized in **Figure 29**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 29: Already Identified Consulting Costs Associated with 2024 PSEG Long Island Performance Metrics and Oversight of PSEG Long Island Operations

Activity	Estimated Consultant Costs
Review Grant Compliance (reimbursed by Grant)	\$500,000

IV. LIPA Operations

LIPA's Finance Department is responsible for meeting the Board's policy goals for fiscal sustainability while providing clean, reliable, and affordable energy through strategies that prudently manage and safeguard LIPA's assets and result in the lowest long-term cost to customers. Responsibilities include:

- **Financial Statements** – Preparation of monthly, quarterly, and annual financial statements for LIPA and UDCA, management of the monthly financial statement close process, and annual audits of financial statements, by an independent auditor, as required by the bond covenants, at an **annual cost of over \$1,000,000**.
- **Annual Single Audit** – Annual audit of Federal Grants received over \$750,000 by an independent auditor, in accordance with Federal requirements, at an **annual cost of \$75,000**.

- **Bond Offerings and Disclosure Requirements** – Annual issuance and compliance reporting of tax-exempt financings to fund long-term capital projects, including support by bond and disclosure counsel and a regulatory requirement to have a financial advisor, which has an **annual cost of over \$2 million**.
- **Treasury and Cash Management** – LIPA manages over \$1 billion of cash, investments, and lines of credit. These each have annual support costs that vary with balances, with **annual costs of over \$200,000**.
- **UDSA Rates** - Manage UDSA charges for existing debt and support issuing new bond series that create additional savings for LIPA's customers.
- **Budget Monitoring and Forecasting** - Monitor and report on LIPA and UDSA budget and actual spending levels and evaluate variances and forecasts.
- **Annual Budget and Delivery Rates Process** - Annual delivery rate updates to ensure delivery rates recover the annual revenue requirements for LIPA's operations, and ensuring the underlying rate design aligns with the Board's policies and strategic objectives.
- **Financial Projections** – Annual development of an 8-year financial plan covering all components of the LIPA consolidated budget including Capital Budget and Financing projections. This effort is assisted by the LIPA financial advisor, who supports the LIPA Finance and Treasury department.
- **Grant Funding Applications** - Seek grant opportunities to minimize the cost of funding for LIPA resiliency projects and assist in the development of proposals to apply for grants from the federal government. This effort is supported by consultants at an **annual cost of \$50,000**.
- **Accounts Payable Processes** – Supports daily funding needs under OSA and Debt Service requirements.
- **Develop Annual Operating and Capital Budgets (LIPA and UDSA)** - Development of the annual Operating and Capital Budgets for LIPA's direct budget.
- **Audits, Information Requests, and Reporting** - Provide information, data, and reports supporting internal and external audits, information requests, and reporting requirements, including the DPS Management Audit and Board reporting.
- **Working Groups, Boards, and Associations** – Participation and LIPA representation on various industry working groups, boards, and associations, including the Government Finance Officers Association, LPPC, and AEIC.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

Finance had **14 Work Plan projects** in 2023, of which nine have been completed. Two (2) projects are carried over to 2024, and three (3) are multi-year efforts. The status of each project and the associated deliverables is detailed in Appendix A. A summary is provided in **Figure 30**.

Figure 30: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Complete Affiliate Services Remediation Plans	PSEG Long Island submitted its cost and quality justification analyses to LIPA for certain services provided to ServCo at additional cost to LIPA by its affiliated companies in 2022 and 2023 pursuant to Performance Metrics BS-07. LIPA reviewed the cost-quality justifications. There remain open inquiries related to the cost and quality justifications, particularly related to Information Technology and Human Resources. The next step in the process would be the development of remediation or transition plans by PSEG Long Island. LIPA and PSEG Long Island have been working collaboratively with an independent third party on an analysis for Procurement, which is expected to conclude in Q1 2024.
Budget Development and Monitoring - Process and Organizational Capability Review and Enhancement Plan	LIPA conducted a review and recommended that PSEG Long Island work on developing a Project Implementation Plan (PIP) to implement budget process improvements. As a result, select key enhancements have been incorporated into the 2024 budget process, with additional enhancements to be prioritized for subsequent years. PSEG Long Island submitted the proposed 2024 Budget with enhancements. LIPA proposed two PSEG Long Island 2024 Performance Metrics BS-35 and BS-40 to implement further value-added changes to the budget process to provide greater efficiency and effectiveness. These metrics address gaps and issues identified in the budget process, such as finalizing workforce management models, increasing operational and financial data sharing, and improving submission quality.
Improve the Capital Project Development, Review, and Update Process	LIPA improved the capital budgeting process, allowing greater transparency for estimating and analyzing actual spending and capital project impact analysis. The process also incorporated automation to eliminate inefficient processes. LIPA proposed a PSEG Long Island 2024 Performance Metric BS-41 to implement further value-added changes to the capital budget process, focusing on improved internal policies and procures for reviewing Project Justification Documents for quality, accuracy, and completeness; and employee training.
Closeout Sandy Federal Emergency Management Agency (FEMA) Grant Claim	LIPA collected an additional \$46 million under this grant and closed three project worksheets totaling \$60 million. LIPA is working towards finalizing the accounting for the final project worksheet valued at \$1.2 billion, a precursor to closeout. Once closed, expected by Q1 of 2024, LIPA can apply for the remaining funds owed to LIPA, estimated at \$45 million. After the FEMA review, LIPA will determine the funds not expended under this grant and reallocate funds to other eligible mitigation projects to obtain the remaining FEMA funds.
Deploy New Standard TOD Rate - Commercial	The LIPA Rates Department established a multi-year strategy for commercial rates that provides an end-state vision with the recommendation that further analyses be performed and evaluated during 2024 so that implementation plans can be executed in 2025, leading to the proposed conversion of commercial rates and corresponding migration of customers to a modern TOD structure in 2026. Proposed activities that will further evaluate, validate, or revise the proposal are scheduled for completion in 2024 as part of normal business operations.
Enhanced Analysis of Customer Usage	LIPA identified key Mid-Year 2023 sales forecast drivers and backup information to support projected trends. LIPA also established work plans for the Load Forecasting, Research and Analysis, and Efficiency and Renewables departments to develop supporting data and analyses. Monthly variance reporting against last year's forecast and monthly load profiles for all major residential and commercial rate codes, residential net metering, and time-of-day customers were completed. Ad hoc studies to support the potential revenue impacts from the migration of customers to the residential Time of Day rate were also conducted. Continued enhancements to analyses of customer usage have been incorporated into PSEG Long Island's normal business operations for 2024.
Execute 2023 Plan of Finance	LIPA achieved \$115 million of debt service and coverage savings in 2023. LIPA bond Series 2023A, 2023B, Series 2023C, 2023D, and 2023E&F were issued. LIPA also performed a cash optimization, which allows LIPA to finance debt more efficiently. LIPA is working to obtain OSC approval of interest rate swap Master ISDAs to facilitate future transactions.
Execute an Energy Prepay Transaction	After months-long discussions and review, LIPA submitted the proposed prepay contracts for AG and OSC approval, which is pending. After extended discussions, NYISO agreed to modify its

	systems to allow Market Purchase Hub Transactions in 2024, facilitating prepay transactions in New York.
Identify and Apply for Federal Grants Under the Infrastructure Investment and Jobs Act (IIJA)	LIPA filed for a Department of Energy (DOE) grant of \$250 million to enhance the penetration of Distributed Energy Resources (DER) on congested circuits. LIPA was not awarded the grant in 2023. LIPA created a continuous monitoring grant process to ensure it optimizes all opportunities for available grants in the future. LIPA will work with PSEG Long Island to ensure alignment on submitting quality justification for projects eligible for a grant under these programs in 2024. LIPA submitted three Concept Papers under the DOE Grid Resilience and Innovation Partnerships (GRIP) program in mid-January 2024. If DOE approves, the full applications will be submitted in Q2 2024. The three applications seek total funding of approximately \$150 million.
Complete an Insurance Optimization Study	LIPA divided the insurance optimization study into three separate areas of focus: (1) enhancing the existing coverage, (2) evaluating the feasibility of an Owner Controlled Insurance Program (OCIP), and (3) evaluating the feasibility of stop-loss insurance. Different insurance advisors will handle each area of focus. LIPA completed the insurance optimization study covering property, casualty, and cyber insurance. Additional feasibility studies examining owner-controlled and stop-loss insurance will be conducted later since it is necessary to engage insurance advisors with expertise in those specific areas. LIPA has drafted and is seeking legislation to implement an owner-controlled insurance program in the 2024 legislative session.
Obtain FEMA Grant for Storm Resiliency	In December 2021, LIPA submitted a funding request seeking up to \$426 million of mitigation projects to FEMA. During 2023, LIPA submitted preliminary engineering on 166 overhead circuits associated with the request, completing the grant application requirements. The final FEMA review is expected to occur during Q1 2024. In 2023, LIPA was awarded \$3.4 million from FEMA to mitigate certain transmission crossings but is modifying the award to seek additional locations and funds. LIPA was also awarded a \$5 million mitigation award from NY DHSES to replace sub-standard poles in disadvantaged communities in Suffolk County and awaits a similar award for Nassau County and the Rockaways.
Enhance Rate Department Capabilities	LIPA completed an assessment of the Rates Department staffing and capabilities. Internal rate policies were updated to reflect responsibilities and staffing plans. Continuous efforts have been made to execute the Rates succession and knowledge transfer plan. LIPA hired a Director of Rates and pricing specialist in 2023 and has an ongoing effort to fill a Manager-level position. The staffing effort will continue into 2024 and will be tracked through normal business processes.
Storm Cost Management and Billing Process Review	During 2023, an end-to-end business process review of LIPA and PSEG Long Island's storm cost management process was performed. A draft report with improvement recommendations has been completed, including recommendations on implementing technological improvements to a manual, paper-intensive process. PSEG Long Island will review the findings and recommendations and provide a Project Implementation Plan (PIP) to address improvement opportunities.
Enhance Substation Property Book Value Reporting	LIPA completed its review of the substation property records compared to actual sites to ensure that amounts are maintained in a materially appropriate format and that the amounts provided to taxing jurisdictions are accurate as property taxes are assessed on these values. LIPA completed its review and provided recommendations to PSEG Long Island for improvements. LIPA met with PSEG Long Island in December 2023 to document new processes in a policy document.

2024 LIPA Work Plan Projects

For 2024, Finance is proposing **11 Work Plan projects**, as summarized in **Figure 31**. Additional detail on each project is available in Appendix B.

The Finance department priorities are aligned with Board Policy and the 5-Year Strategic Roadmap, and are reflected in specific 2024 oversight activities and Work Plan Projects, as outlined below.

Figure 31: Summary of 2024 LIPA Work Plan Projects

Title	Description
Integrate Procurement Process and Accounting for Subscription Based Information Technology Arrangements (SBITAs)	Create a process with PSEG Long Island accounting and procurement teams for tracking and creating an inventory of SBITAs to ensure accordance with the newly effective Governmental Accounting Standard (GASB) No. 96.
Enhance Development and Monitoring of Operating and Capital Budgets	Continue to improve the development and monitoring of the Operating and Capital Budgets to improve optimization of limited resources and ensure rates are set at the lowest possible level required to maintain the system.
Conduct a Cost of Service Study	Update the cost of service (COS) study to ensure an accurate basis supporting LIPA's rate design and pricing practices.
Complete Rate Design and Tariff Filing for Offshore Wind (PPTN)	To realize fair cost recovery for capital invested, prepare and file the rate design and FERC Tariff Filing for the Offshore Wind Public Policy Transmission Needs (PPTN) project.
Execute Commercial Rate Design for 2024	Execute LIPA's commercial rate design strategy for 2024, which was established by a 2023 Work Plan Project.
Develop Data Infrastructure for Rates Department	Build the data infrastructure necessary to support a more sophisticated rate analysis and design using AMI data to improve LIPA's ability to develop innovative rate products.
Storm Cost Management and Billing Process Review	Conclude the 2023 Work Plan Project by implementing recommendations. The 2023 project conducted an end-to-end review of LIPA and PSEG Long Island's business processes for storm cost management and billing for Storm Events, as defined in Appendix 5.3B of the 2nd A&R OSA. This included division of responsibilities between LIPA and PSEG Long Island; policies and practices; staffing, responsibilities, and capabilities; and Information Technology (IT) utilized in cost management, review, and billing before during and after a storm.
Execute an Energy Prepay Transaction	Continue with this multi-year project to execute an Energy Prepay Transaction to reduce power supply costs using tax exempt debt. In 2024, implement changes to NYISO's billing system and obtain AG and OSC approval of the prepay contracts. Execute a prepay based on market conditions.
Complete Affiliate Services Remediation Plans	Review processes and services that PSEG Long Island obtains through affiliates, pursuant to PSEG Long Island Performance Metric BS-07.
Complete an Insurance Optimization Study	Complete Phase II and III of an optimization study of LIPA's insurance program, including seeking legislation for a self-directed insurance program.
Closeout Sandy FEMA Grant Claim	Ensure the Federal Emergency Management Agency (FEMA) has completed all the applicable administrative actions and all required work of the Superstorm Sandy Federal award have been completed (completion of the grant life cycle) to obtain the final funds due to LIPA for hazard mitigation work performed.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 32**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 32: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Title	Estimated Consultant Cost
Integrate Procurement Process and Accounting for Subscription Based IT Arrangement	\$60,000
Conduct a Cost of Service Study	\$200,000
Complete Rate Design and Tariff Filing for Offshore Wind (PPTN)	\$100,000
Complete an Insurance Optimization Study	\$50,000

Chapter 6: Office of the General Counsel

The Office of the General Counsel is responsible for all legal matters related to LIPA, which includes taxes, finances, and compliance issues. In addition to the Legal function, the Office of the General Counsel manages the Department of Human Resources and Administration, as well as the Procurement function. Additionally, the General Counsel serves as the Secretary to the Board and works closely with the Board to implement their Policy on **Governance and Agenda Planning**.

Legal

I. Overview

The LIPA Legal Department is responsible for all legal matters related to the organization and ensures adherence to the Board's policies on **Taxes and PILOTs, Lobbying**, and other regulatory requirements. The Legal Department also oversees the legal work of PSEG Long Island and plays an important role in making sure that PSEG Long Island complies with their contractual obligations under reformed OSA.

II. Organizational Structure

The LIPA Legal department has **eight (8) budgeted positions**, an increase of one (1) from 2023. **One (1) position is currently vacant**. The department has a **2024 O&M budget of approximately \$6.3 million** and **no Capital Budget**.

The PSEG Long Island Legal Department consists of **32 full-time employees**, supplemented by contractors and PSEG affiliated companies, as needed, and a **2024 O&M Budget of \$10.1 million (excluding fringe costs)**.

III. Oversight of PSEG Long Island Operations

LIPA's Legal department is responsible for oversight of PSEG Long Island legal operations in accordance with the OSA.

Oversight of PSEG Long Island Performance Metrics

LIPA's Legal Department is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well for performing IV&V of PSEG Long Island's performance under each metric.

PSEG Long Island had **no Legal-related Performance Metrics** in 2023 ([link](#)). In 2024, PSEG Long Island has **one (1) Legal-related Performance Metric** ([link](#)).

Other Oversight of PSEG Long Island

In addition to the activities outlined above, LIPA's Legal department is responsible for reviewing and advising on the legal-related activities of PSEG Long Island, including:

- **Monitoring and Review the Plans, Projects, and Services of PSEG Long Island's Legal Department** – There are generally twelve service provider functions that are overseen: Litigation Management, SEQRA Filings, Article VII and Non-Article VII projects, service provider document retention, FERC/NYISO/PSC/Tariff related issues, real property acquisition and disposition, MWBE & SDVOB procurement, customer complaints, contract negotiation, management audit, and FOIL.

IV. LIPA Operations

LIPA's Legal department is responsible for LIPA's own legal and compliance functions. Responsibilities include:

- **LIPA Legal Matters** – Pursuant to Section 4.4(A)(7) of the OSA, LIPA has overall responsibility for its legal matters, including reporting and related legal compliance. Support from outside counsel for specialized legal matters has an **annual cost of approximately \$4 million**.
- **Taxes and Pilots** – Pursuant to Section 4.4(A)(10) of the OSA, LIPA has the responsibility to directly prosecute all tax or PILOT challenges, appeals, and settlements.
- **Audits, Information Requests, and Reporting** – LIPA's Legal Department provides information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the DPS Management Audit and Board reporting.
- **Working Groups, Boards, and Associations** – Representatives of LIPA's Legal Department participate in various industry working groups, including LPPC and utility and legal related industry associations.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

The Legal team had **four (4) 2023 Work Plan projects**, of which three have been completed. Significant progress was made on the remaining project, a multi-year project that is scheduled to be completed in mid-2025. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 33**.

Figure 33: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Create Property Tax Practice	In 2023, LIPA completed a strategy document to outline the processes for identifying over-assessed substations and filing property tax certiorari challenges in the 10 Suffolk towns, Nassau County, and New York City. Working with outside counsel, LIPA identified the over-assessed substations and, in March and June 2023, filed challenges on any substation that was identified as over-assessed. On the strength of our 2022 settlement of the Glenwood Landing and Barrett generating plant challenges and the ensuing settlement of 4 Nassau County substations, LIPA began engaging with Nassau County's Assessment Review Commission (ARC) and with the Nassau County Attorney's Office about a global settlement of our Nassau substation challenges. LIPA will continue to file challenges on any over-assessed substations based on those identified by PSEG Long Island's Property Tax Group pursuant to the policies and procedures that have been established.
Create Legal Knowledge Library	In 2023, the Legal Department developed a repository describing and explaining unique legal issues that LIPA has addressed since 1998. The repository aims to facilitate knowledge transfer to future generations of LIPA lawyers.
Create Legal Training Videos	In 2023, the Legal Department developed and distributed brief training videos on topics like budget development, limitations on liabilities, and the newly negotiated duty of candor to help familiarize LIPA staff with the key provisions of the Second Amended & Restated Operations Services Agreement that became effective on April 1, 2022. Familiarity with the contract provisions is critical to ensuring that LIPA's contractual rights are adequately exercised and protected.
Complete LIPA/LILCO Merger	During 2023, LIPA completed all the diligence and drafted all notices and other documents necessary to close on the LILCO merger. LIPA also achieved the bondholder consent necessary for the merger. In 2024, LIPA will deliver notices for the merger and make the necessary filings with the Department of State to consummate the merger.

2024 LIPA Work Plan Projects

For 2024, Legal is proposing **three (3) Work Plan projects**, as summarized in **Figure 34**. Additional detail on each project is available in Appendix B.

Figure 34: Summary of 2024 LIPA Work Plan Projects

Title	Description
Complete LIPA/LILCO Merger	Complete the merger of Long Island Lighting Company into LIPA to reduce administrative and disclosure requirements.
Implement DPS Management Audit Recommendations	Finalize the DPS management audit and, with internal audit and subject matter experts, coordinate development of management action plans responsive to final recommendations.
Update LIPA's Standard Consulting Agreement	Update LIPA's standard consulting agreement with improvements identified in 2023 and create a resource of previously negotiated terms.

Human Resources & Administration

I. Overview

The Human Resources and Administration Department is responsible for LIPA's strategic human resource initiatives related to the employee life cycle, including leading and managing resource planning, talent acquisition and employee retention, performance management, professional development, compensation and benefits management and administration, employee engagement, and diversity, equity, and inclusion in accordance with the Board's policies on (i) **Staffing and Employment**, and (ii) **Social and Environmental Justice**, as well as oversight of PSEG Long Island's performance and adherence to the policies. It is LIPA's policy to foster a work environment that attracts and retains experienced professionals of diverse talents and backgrounds and promotes an ethical, productive, and accountable workplace. Human Resources and Administration is also responsible for general office management including security and facilities.

II. Organizational Structure

The LIPA Human Resources and Administration Department has **seven (7) budgeted positions**, an increase of one (1) position from 2023. **One (1) position is currently vacant. Most of the LIPA Human Resources and Administration positions are related to LIPA's operations rather than oversight.** Consultants are utilized for certain specialized activities related to recruitment, training and development, compensation studies, and to provide specialized expertise in other specific areas as needed. The department has a **2024 O&M Budget of \$2.4 million**, and a **Capital Budget of \$1.0 million**.

The PSEG Long Island Human Resources department that LIPA oversees is staffed by **28 employees**, supported by an estimated 13 FTE employees of PSEG affiliated companies based in New Jersey and has a **2024 O&M Budget of \$11.1 million (excluding fringe costs)**.

III. Oversight of PSEG Long Island Operations

LIPA's Human Resources and Administration Department conducts oversight of PSEG Long Island's performance through the Performance Metrics process.

Oversight of PSEG Long Island Performance Metrics

LIPA's Human Resources and Administration Department is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well for performing IV&V of PSEG Long Island's performance under each metric.

PSEG Long Island had **one (1) Performance Metric** related to Human Resources in 2023 ([link](#)). In 2024, PSEG Long Island has **one (1) Human Resources Performance Metric** ([link](#)).

IV. LIPA Operations

LIPA's Human Resources and Administration team has direct responsibility for LIPA's Human Resources functions. The LIPA team is also responsible for general office management including security and facilities. Responsibilities include:

- **Recruitment** – Finding qualified individuals for open positions within the organization and completing the necessary steps to screen them for hiring. The majority of LIPA's recruiting is done in-house; however, specialized recruiting firms are engaged as necessary for Executive Recruitment or to assist with difficult or hard-to-fill roles where in-house recruiting did not yield the caliber of candidates required for the role. The 2024 Human Resources Budget includes **\$900,000** for recruiting expenses.
- **Employee On-Boarding and Off-Boarding**. Deliver effective on-boarding of new hires to assist new employees acclimate to their new work environment, integrate into the company culture, become effective contributors, and ensure engagement. Conduct effective off-boarding to ensure a smooth transition for departing employees while maintaining corporate reputation and ensuring data security.
- **Compensation and Benefits** – Manage compensation and benefits packages for all employees including recommending the compensation structure, benchmarking roles, and designing a comprehensive benefits plan that attracts high-performing candidates and helps foster staff motivation, retention and a positive workplace experience.
- **Training and Development** – Manage employee training and development programs to help employees acquire the skills needed to perform their jobs effectively and progress along their career path. External firms/consultants are engaged for specific training or coaching as necessary. The 2024 Human Resources Budget includes **\$500,000** for specialized human resources consulting and employee training. Consulting expenses are only incurred as necessary for specialized expertise.
- **Employee Relations and Engagement** – Identify opportunities and initiatives for managing and maintaining positive relationships between employees and LIPA, addressing conflicts, and ensuring a healthy work environment while also fostering a sense of commitment, enthusiasm, and connection among employees to enhance productivity and overall job satisfaction.

- **Performance Management** – Responsible for executing strategies, processes and approaches related to integrated performance management, including establishing and maintaining the standards by which employees are evaluated and guiding managers throughout the process.
- **HR Policy Development and Management** – Develops, implements, and manages workplace policies that are beneficial to the organization and employees, protect the organization and employees, and are compliant with the law, including policies regarding addressing employee concerns and complaints, preventing harassment or discrimination in the workplace, establishing expectations, ensuring consistency in decision-making processes, and promoting fairness and equitable treatment among all employees.
- **Regulatory Compliance** – Ensuring that LIPA complies with all applicable labor regulations and laws.
- **Disciplinary Management** – Investigate complaints and manage corrective actions/discipline of employees regarding violations workplace policies, standards of conduct, performance issues, or other issues.
- **DEI** – Implements policies and practices that foster a diverse workforce, ensuring fair treatment, promoting equal opportunities, and creating an inclusive culture where employees from all backgrounds and experiences feel valued and supported. This includes taking the lead in educating employees, addressing biases, and continually assessing and improving DE&I initiatives to cultivate a more equitable and diverse workplace.
- **Office Administration and Management** – Manage the administrative aspects of LIPA's office to improve the efficiency of office staff and general operations, including managing facilities and security.
- **Audits, Information Requests, and Reporting** – Provide information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the Management Audit, Board reporting, DPS information requests, etc.
- **Working Groups, Boards, and Associations** – Representatives of LIPA's Human Resources Department participate in various industry working groups related to human resources and the utility industry, including LPPC and AEIC.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

Human Resources had **two (2) 2023 Work Plan projects**, one of which was completed and one of which was a multi-year project that will be completed in 2024. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 35**.

Figure 35: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Complete Compensation Benchmarking Study	In 2023, LIPA prepared and issued a Job Valuation and Compensation Benchmarking Request for Proposal (RFP). After a rigorous evaluation of the vendor proposals, a vendor was selected, and negotiations commenced to finalize contractual agreements. The contracts remain pending AG/OSC approval. In 2024, the HR function will complete the remaining scope of work. The vendor will review the current legacy job architecture (e.g., job levels, job families, etc.) to understand the organization and develop a summary

	report of outcomes, which may include career pathing recommendations. A market analysis will be conducted, salary structures will be created, and a review of the performance and retention incentives will be completed.
LIPA Job Description Review	In 2023, LIPA HR conducted a comprehensive review and revision of all job descriptions. The job description template was revised and now incorporates competencies specific to each job level (individual contributor, manager, director, etc.), identifies consistent skills and experience criteria for each job level, and includes essential job functions that were benchmarked against industry peers, including the knowledge and skills required for each role (technical/job specific to the profession). The revised skills and experience criteria specific to each role also help identify any skills gaps or development opportunities for incumbents to include in their annual professional development plan. In addition, each role was reviewed for FLSA accuracy and compliance. A thorough review of job descriptions, consistency in skill and experience criteria, and benchmarking against industry peers enhances organizational clarity, talent management, and competitiveness in the job market.

2024 LIPA Work Plan Projects

For 2024, HR is proposing **one (1) Work Plan project**, as summarized in **Figure 36**. Additional detail is available in Appendix B.

Figure 36: Summary of 2024 LIPA Work Plan Projects

Title	Description
Complete Compensation Benchmarking Study	In 2024, the HR function will complete the remaining scope of work from the 2023 project. The vendor will review the current legacy job architecture (e.g., job levels, job families, etc.) to understand the organization and develop a summary report of outcomes, which may include career pathing recommendations. A market analysis will be conducted, salary structures will be created, and a review of the performance and retention incentives will be completed.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 37**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 37: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Title	Estimated Consultant Cost
Complete Compensation Benchmarking Study	\$105,000

Procurement

I. Overview

The Procurement department is responsible for managing all LIPA procurements and oversight of the Service Provider's procurements in accordance with the **Board's Policy on Procurement**. This involves managing the sourcing, selection, negotiation, and contracting of vendors in a fair, efficient, and cost-effective manner.

II. Organizational Structure

LIPA Procurement has **three (3) budgeted positions**, an increase of one position from 2023. **One (1) position is currently vacant. The LIPA Procurement positions are primarily related to LIPA's operations rather than oversight.** The department has a **2024 O&M Budget of \$0.4 million** and **no Capital Budget**.

The PSEG Long Island Procurement Department that LIPA oversees has **30 full-time employees** and a **2024 O&M Budget of \$5.5 million (excluding fringe costs)**.

III. Oversight of PSEG Long Island Operations

LIPA's Procurement Department is responsible for oversight of PSEG Long Island's procurements and procurement processes that are conducted to support operations services under the OSA.

IV. LIPA Operations

Procurement is responsible for all LIPA procurements. Additionally, LIPA's Procurement staff coordinates between PSEG Long Island, the Office of the New York State Attorney General (AG), and the Office of the State Comptroller (OSC) for all new Purchase Power Agreements (PPA) and PPA amendments. Responsibilities include:

- **LIPA Procurements** – Manage procurements for goods and services required for LIPA's operations, which are separate from the procurements PSEG Long Island conducts to support operations services under the OSA.
- **Purchase Power Agreements** – LIPA's Procurement staff coordinates between PSEG Long Island, LIPA's Operations team in charge of power supply, the AG and OSC. Procurement ensures submission of required documentation to the AG and OSC in compliance with State Finance Law for all new PPAs and PPA amendments.

- **Audits, Information Requests, and Reporting** – LIPA's Procurement staff provide information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the DPS Management Audit and Board reporting.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

Procurement had **two (2) 2023 Work Plan projects**, which are carried over to 2024. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 38**.

Figure 38: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Enhance LIPA Procurements	Training and onboarding materials were developed to inform staff on the procurement process. A dashboard was developed to monitor the status of current consulting services contracts (including RFQs issued under each contract and the spending to date), alert subject matter experts to expiring contracts, and ensure ample time for issuing new RFPs and negotiating and awarding contracts. The team developed a marketing plan to improve awareness of future LIPA procurements to broaden the bidder pool and enhance competition. The team evaluated whether the use of technologies could be helpful to support the management and assessment of existing contractors but ultimately decided that it made more sense to generate our own evaluation tool in 2024. In 2024, procurement will be finalizing the development of a procedure manual outlining the procurement process and the execution of the vendor marketing plan, including incorporating vendor pre-marketing as a standard RFP/RFQ practice.
Review PSEG Long Island's Procurement Life Cycle	LIPA reviewed certain high-value legal contracts negotiated by PSEG Long Island as an agent for LIPA to ensure that terms and conditions were commercially reasonable and will provide feedback to PSEG Long Island's VP-Legal in Q1 2024. LIPA also retained a consultant to review procurement services currently performed by PSEG Long Island affiliates. That work is expected to be completed in Q1 2024. In Phase 2, the consultant will review PSEG Long Island's procurement policies, procedures, and practices to compare them with industry best practices and identify areas for improvement.

2024 LIPA Work Plan Projects

For 2024, Procurement will continue the **two (2) Work Plan projects from 2023**, as described in **Figure 38**. Additional detail on each project is available in Appendix B.

The Procurement department's priority is managing LIPA procurements. In addition, in 2024, as part of its oversight function, the department will continue its review of PSEG Long Island's procurement practices and work with PSEG Long Island to identify process improvement opportunities, as well as enhancing LIPA's procurement policies and procedures.

Chapter 7: Office of the CEO

The Office of the Chief Executive Officer (CEO) reports to LIPA's Board of Trustees and is responsible for advancing LIPA's purpose of clean, reliable, and affordable electric service for our customers, including achieving the results specified by Board policy. Additionally, the CEO directly manages External Affairs, Communications, Internal Audit, and Enterprise Risk Management.

The Office of the CEO has **one (1) direct Work Plan project** in 2024, as shown in **Figure 39**.

Figure 39: Summary of 2024 LIPA Work Plan Projects

Title	Description
Execute New Service Provider Contract Beginning January 2026	Prepare for the expiration of the Service Provider contract on 12/31/2025 by executing new contracts.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 40**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 40: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Title	Estimated Consultant Cost
Execute New Service Provider Contract Beginning January 2026	\$375,000

External Affairs

I. Overview

The LIPA External Affairs function establishes and maintains positive working relationships with government and community stakeholders across the LIPA service territory. It acts as a liaison between LIPA and external parties, ensuring that stakeholder concerns, needs, and interests are heard and addressed. Furthermore, External Affairs is responsible for overseeing PSEG Long Island's External Affairs Department.

II. Organizational Structure

The External Affairs Department has **three (3) full-time budgeted positions and one (1) part-time position**, an increase of one position from 2023. **One (1) position is currently vacant**. The department has a **2024 O&M Budget of \$0.8 million** and **no Capital Budget**.

The PSEG Long Island External Affairs organization that LIPA oversees is composed of **17 FTE employees** and has a **2024 O&M Budget of \$1.9 million (excluding fringe and capital costs)**.

III. Oversight of PSEG Long Island Operations

The LIPA External Affairs Department is responsible for setting performance metrics and overseeing PSEG Long Island with regards to PSEG Long Island's External Affairs Department. This involves monitoring PSEG Long Island's performance, identifying areas for improvement, and working collaboratively to implement necessary changes to meet the expectations of all relevant stakeholders. Responsibilities include:

- **PSEG Long Island External Affairs Oversight** - Oversees PSEG Long Island's research, assessments, and recommendations on federal, state, county, and local government initiatives, laws, capital project outreach, and other matters affecting LIPA.
- **PSEG Long Island External Affairs Performance Metrics** - LIPA's External Affairs is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well for performing IV&V of PSEG Long Island's performance under each metric. External Affairs does not have any PSEG Long Island Performance Metrics in 2024.

Oversight of PSEG Long Island Budgets

The PSEG Long Island External Affairs organization has a **2024 O&M Budget of \$1.9 million (excluding fringe and capital costs)**. LIPA's line-item and project-level review of PSEG Long Island's budget proposals for 2024 resulted in an O&M budget reduction of **\$0.5 million (21%)**.

IV. LIPA Operations

External Affairs' responsibilities with respect to LIPA include:

- **Government Affairs** – Identify government and regulatory trends and relevant critical issues; inform, persuade and negotiate with government and regulatory officials; seek to affect the outcome of relevant federal, state, and local government and/or regulatory decisions, advise executive management and the Board of Trustees on legal, regulatory, and local government affairs.

- **Community Representation and Engagement and Stakeholder Relationship Management** – Represent LIPA in external affairs matters, establish and maintain communications with stakeholders to effectively communicate LIPA’s public policy.
- **Audits, Information Requests, and Reporting** – Provide information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the DPS Management Audit and Board reporting.
- **Managing Jones Beach Energy and Nature Center** – Managing LIPA’s responsibilities with regard to the JBENC, including maintaining exhibits and educational content for the energy portion of the center.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

External Affairs had **five (5) 2023 Work Plan projects**, of which two have been completed. One (1) project is carried over to 2024, and two (2) are multi-year efforts. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 41**.

Figure 41: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title.	Key Accomplishments
Implement Community College Partnerships for Workforce Development	LIPA introduced Community College Scholarships to fund 50 scholarships for Nassau or Suffolk Community College students over the next five years. These scholarships aim to support students seeking education and training in careers related to the utility industry. In partnership with IBEW Local 1049 and PSEG Long Island, LIPA has expanded its efforts to develop and implement a Lineworker Certification Program. The program is designed to help students acquire the fundamental skills required to build and maintain LIPA’s electric grid. The final draft of the curriculum and a preliminary classroom and hands-on training schedule have been created and are currently under review by all parties. Informational materials regarding the Lineworker Certificate Program have also been drafted. The program is expected to commence in Q12024.
Create the History of LIPA	A consultant was hired to assist in historical research along with collecting and compiling materials and artifacts about the Long Island electric utility going back more than a century. A history timeline was also constructed to highlight key milestones in LIPA’s 25-year history. In 2024, interviews will commence with key stakeholders, former employees, and current staff. While most of the collection process has been completed, research will continue.
Intro to LIPA Curriculum for Elected Officials	A detailed curriculum framework was developed along with educational training materials for elected officials. Training sessions were conducted for the NYS

	Legislature, and additional meetings were held on LIPA's 2024 draft budget and Integrated Resource Plan (IRP). LIPA plans to continue its regular External Affairs work for 2024, which includes meetings with elected officials.
PSEG Long Island External Affairs Capital Project Outreach Review	LIPA carried out various workstreams simultaneously to identify the best practices among peer utilities and develop useful tools to better understand the expectations of stakeholders in the LIPA Service Territory. These efforts resulted in obtaining different data points that exhibited the diverse techniques employed by other utilities. A working paper was created that summarized the best practices, and a constant contact survey was conducted to gather additional information from key stakeholders about their outreach expectations, such as the preferred methods and frequency. The results of these efforts and the best practices identified were compiled into a red-lined version of the PSEG Long Island External Affairs Handbook and submitted to PSEG Long Island for their consideration. LIPA staff will continue to work with the PSEG Long Island External Affairs team to incorporate the recommendations and drive continuous improvement in the Capital Project Outreach process.
Update Jones Beach Exhibits	LIPA completed the design and released an RFP to select qualified vendors for the work. LIPA plans to present the contract to the Board for approval and expects construction work to begin in 2024.

2024 LIPA Work Plan Projects

For 2024, External Affairs is proposing **three (3) Work Plan projects**, as summarized in **Figure 42**. Additional detail on each project is available in Appendix B.

In addition to the proposed Work Plan projects, External Affairs priorities for 2024 are an ongoing collaboration with PSEG Long Island on Capital Project outreach; ongoing engagement related to the CLCPA objectives with Offshore Wind, planned Transmission projects, and additional focus on supporting battery storage initiatives throughout LIPA's service territory. The priorities are aligned with Board Policy, and reflected in specific 2024 oversight activities and Work Plan Projects.

Figure 42: Summary of 2024 LIPA Work Plan Projects

Title	Description
Create the History of LIPA	Create the collective history of Long Island's electric grid.
Update Jones Beach Exhibits	Update Jones Beach Energy & Nature Center Exhibits to create a more engaging environment and provide a roadmap to the renewable energy future of NYS.
Implement Community College Partnerships for Workforce Development	Expand the LIPA Scholarship Program to establish certificate program(s) with Nassau County Community College, PSEG Long Island, Suffolk County Community College, and IBEW 1049 to expand workforce opportunities and attract qualified, diverse talent.

Already Identified Consulting Costs Associated with 2024 Work Plan Projects

Already identified consulting costs associated with LIPA's Work Plan projects for 2024 are summarized in **Figure 43**. Each year, support needs also arise to meet emerging priorities and changing or unanticipated requirements. LIPA attempts to fill these needs first from internal resources but procures outside expertise, as required.

Figure 43: Already Identified Consulting Costs Associated with 2024 LIPA Work Plan Projects

Title	Estimated Consultant Cost
Create the History of LIPA	\$30,000

Communications

I. Overview

LIPA Communications is responsible for managing both internal and external communication for the organization. This includes media relations, as well as utilizing various communication channels to build and maintain the organization's reputation. LIPA's Communication also oversees PSEG Long Island in the areas of corporate communications, marketing, and social media. This involves setting performance metrics and an annual budget review.

II. Organizational Structure

The LIPA Communications Department has **four (4) budgeted full-time positions**, an increase of one (1) position from 2023. **Two (2) positions are currently vacant. The LIPA Communications positions are primarily related to LIPA's operations rather than oversight of PSEG Long Island.** The Department has a **2024 O&M Budget of \$1.2 million.**

The PSEG Long Island Communications organization is composed of **nine (9) FTE employees** and has a **2024 O&M Budget of \$1.4 million (excluding fringe costs)**, excluding marketing and advertising.

III. Oversight of PSEG Long Island Operations

The LIPA Communications Department oversees PSEG Long Island in relation to communications and reputation management, including:

- **PSEG Long Island Communications Oversight** - Oversight of PSEG Long Island corporate communications, social media, and marketing.

- **PSEG Long Island Budget Oversight** - Oversight of PSEG Long Island's Communications budget.
- **PSEG Long Island Communications Performance Metrics** - LIPA's Communications Department is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well for performing IV&V of PSEG Long Island's performance under each metric. Communications does not have any PSEG Long Island Performance Metrics in 2024.

IV. LIPA Operations

The LIPA Communications Department's responsibilities with respect to LIPA include:

- **Media and Public Relations** - Developing and executing LIPA's comprehensive public relations efforts, including Media Relations, Media Monitoring, and Reputation and Risk Management.
- **LIPA Publications and Website** – Managing the creation and content of LIPA's publications, Board materials, social media, and website.
- **Crisis Communications** - Managing LIPA's response to a catastrophic event, along with planning and preparing for a multitude of scenarios and sudden and unpredictable events.
- **Internal Communications** - Create and distribute a variety of communications to the Board of Trustees, Employees, and Inter-agency within New York State Government.
- **Audits, Information Requests, and Reporting** - Provide information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the DPS Management Audit and Board reporting.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

Communications had **two (2) 2023 Work Plan projects**, of which one has been completed and one carried over to 2024. The status of each project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 44**.

Figure 44: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Update LIPA's Brand Strategy	LIPA refreshed its logo, color story, and visual identity in 2023 and completed a redesign of company reports, PowerPoint templates, and stationery. Remaining elements of the project include documenting an updated style guide and policies and procedures and employee training on new materials.

Redesign LIPA Website	LIPA completed all stages of the website development process, including Discovery, Design, Development, and Testing. The launch of the new website is expected to take place in early 2024, and it's anticipated to greatly enhance the user experience and provide a more interactive and engaging platform for all users.
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2024 LIPA Work Plan Projects

For 2024, Communications is proposing **one (1) Work Plan project**, as summarized in **Figure 45**. Additional details on the project are available in **Appendix B**.

Figure 45: Summary of 2024 LIPA Work Plan Projects

Title	Description
Update LIPA's Brand Strategy	Complete the 2023 Work Plan Project, including updated brand materials (logo, website, publications). Remaining elements of the project include documenting an updated style guide and policies and procedures and employee training on new materials.

Enterprise Risk Management

I. Overview

LIPA Enterprise Risk Management supports LIPA's mission through the Board Policy on **Enterprise Risk Management**, which provides that LIPA's vision for Enterprise Risk Management (ERM) is to maintain an industry leading program that identifies, assesses, and monitors significant risks to achieving LIPA's purpose and vision and the Board's objectives as stated in each policy.

II. Organizational Structure

The LIPA Enterprise Risk Management group has **one (1) budgeted full-time position and one (1) part-time position**, unchanged from 2023. **All positions are currently filled**. The department has a **2024 O&M Budget of \$0.4 million** and **no Capital Budget**.

The PSEG Long Island Enterprise Risk Management Program has **two (2)** employees and a 2024 **O&M Budget of \$0.3 million (excluding fringe costs)** and **no Capital Budget**.

III. Oversight of PSEG Long Island Operations

LIPA owns all risks associated with the operation of the Transmission and Distribution system, while PSEG Long Island has the primary responsibility for management of those risks. The LIPA Enterprise Risk Management group is responsible for overseeing the PSEG Long Island ERM Program to reduce the probability of significant outages, financial loss, health and safety events, and reputational harm. The Program is also charged with benchmarking and performing a biennial maturity assessment to support the development of a best-in-class ERM Program.

- **Oversight of PSEG Long Island ERM Program** - Active participation in the oversight, development, and implementation of processes and activities for the PSEG Long Island ERM Program. LIPA monitors and works collaboratively with PSEG Long Island's ERM Group to identify and ensure improvements are made to the program in alignment with the maturity assessment results.
- **PSEG Long Island ERM Performance Metrics** - LIPA's ERM group is responsible for proposing Performance Metrics for PSEG Long Island each year that advance the Board's Policy objectives, as well as for performing IV&V of PSEG Long Island's performance under each metric. Enterprise Risk Management does not have any PSEG Long Island Performance Metrics in 2024 as focus will be on expanding activities and processes related to previous metrics that are now a permanent fixture of the Program.

IV. LIPA Operations

The Enterprise Risk Management group is responsible for maintaining the LIPA ERM Program. The LIPA ERM Program is responsible for working with subject matter experts across each department at both LIPA and PSEG Long Island to identify, assess, mitigate and monitor, and report on significant risks. The Program is also charged with benchmarking and performing a biennial maturity assessment to support the development of a best-in-class ERM Program. Responsibilities include:

- **Risk Management** - Identify, assess, mitigate and monitor, and report on significant risks that LIPA may encounter in its operations. Other processes are facilitated to gain deeper understanding of significant risks and their mitigation actions such as performing deep dive analysis, developing Key Risk Indicators (KRIs), and determining the effectiveness of mitigation actions. Emerging risks reports are developed to gain an understanding of risks that have a high degree of uncertainty, long-term trajectory, and potentially significant impact on the organization.
- **Maturity Assessment** – Perform biennial maturity assessment of the ERM Program to identify strengths and areas of improvements.

- **Audits, Information Requests, and Reporting** - Provide information, data, and reports in support of internal and external audits, information requests, and reporting requirements, including the DPS Management Audit and Board reporting.

Working Groups, Boards, and Associations – Participation and LIPA representation on industry working groups including LPPC, Saint John’s University, Deloitte ERM Roundtable, NYC Local Area ERM Practitioners, and benchmarking with local peers in the power and utility sector.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

ERM had **one (1) 2023 Work Plan project**, which has been completed. The status of the project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 46**.

Figure 46: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Implement Enterprise Risk Management Strategic Roadmap	The LIPA ERM Program underwent improvements through its 2023 Workplan, which involved executing activities as outlined in the Strategic ERM Roadmap. The primary focus of these improvements was to integrate risk more effectively with other business processes, including metric development and internal audit. To measure the effectiveness of mitigation actions, a pilot was launched, which provided greater insight into which mitigation efforts were performing well and which needed improvement. In addition, more emphasis was placed on raising risk awareness among staff members by publishing an ERM article in a LIPA newsletter, delivering an all-staff presentation, and providing training for the F&A Committee. The Strategic ERM Roadmap is a three-year plan, and further improvements are planned for 2024 and 2025 to ensure the ERM Program implements best practices and provides increased value to the organization.

2024 LIPA Work Plan Projects

For 2024, Enterprise Risk Management is proposing **one (1) Work Plan project**, as summarized in **Figure 47**. Additional detail on the project is available in Appendix B.

Figure 47: Summary of 2024 LIPA Work Plan Projects

Title	Description
Implement Enterprise Risk Management Strategic Roadmap	Track objectives and deliverables of the Enterprise Risk Management Roadmap for 2024, including: 1) embedding Enterprise Risk Management into business processes, 2) incorporating Enterprise Risk Management into strategic planning, 3) improving measurement effectiveness of mitigation actions, 4) improving the management of emerging risks, 5) fostering risk awareness, and 6) engaging in benchmarking for continuous improvement

Internal Audit

I. Overview

The LIPA Internal Audit department provides unbiased assurance and consulting services to all departments. Their main objective is to assess the effectiveness of the current internal control mechanisms and identify areas where improvements can be made to optimize performance and operations. The Audit team carries out regular audits and reviews in accordance with the Board's Policy on **Audit Relationships**. Their assessments are comprehensive and thorough, covering a broad range of areas such as operations, finance and accounting, IT security, risk management, and compliance. The results of these audits/reviews are presented in a comprehensive audit report, which identifies areas that need improvement, provides recommendations for corrective actions, and includes detailed management action plans with respective due dates.

II. Organizational Structure

The LIPA Internal Audit department has **five (5) budgeted full-time positions**, unchanged from 2023. **All positions are currently filled.** The department has a **2024 O&M Budget of \$1.9 million** and **no Capital Budget**.

The PSEG Long Island Internal Audit Department has **six (6) full-time employees** and a **2024 O&M Budget of \$1.0 million (excluding fringe costs)** and **no Capital Budget**.

III. Oversight of PSEG Long Island Operations

The LIPA Internal Audit Department conducts audits of PSEG Long Island and oversees PSEG Long Island's Internal Audit activities. Responsibilities include:

- **Quarterly Rolling Internal Audit Plan** –The current 2024 Audit Plan includes seven audits of PSEG Long Island.

- **Oversight of PSEG Long Island Internal Audit Plan** – Oversight of PSEG Long Island’s Internal Audit Plan, including providing input based on the annual risk assessment and IV&V of internal control program documents.
- **Oversight of PSEG Long Island Management Action Plans** - Tracking and monitoring of open PSEG Long Island management action plans to ensure timely remediation and completion as agreed to in the final audit report.

IV. LIPA Operations

The Internal Audit department is responsible for developing and executing a quarterly rolling Internal Audit Plan. The number of audits and audit activities vary according to the approved Plan. Internal Audit uses consultants to gain specialized expertise in the areas reviewed, at an estimated **annual cost of \$1,200,000**. Co-sourcing provides access to industry best practices and diverse perspectives, contributing to a more comprehensive risk assessment and audit process, and ensures that recommendations made are fair and in-line with industry standards.

- **Quarterly Rolling Internal Audit Plan** – Conduct audits in accordance with the approved Audit Plan. The current 2024 Audit Plan includes the ongoing review of LIPA and UDSA Internal Controls, and six (6) Audit Assist Projects.

V. LIPA Work Plan Projects

2023 LIPA Work Plan Projects

Internal Audit had **one (1) 2023 Work Plan project**, which has been completed. The status of the project and the associated deliverables is detailed in Appendix A. Key accomplishments from the 2023 Work Plan projects are summarized in **Figure 48**.

Figure 48: Summary of Key Accomplishments from 2023 LIPA Work Plan Projects

Title	Key Accomplishments
Enhance Internal Audit Methodologies and Performance	LIPA implemented several improvements and enhancements to its internal audit process. To better align with the business needs, the Internal Audit team underwent restructuring. Methodologies and standards were analyzed and improved to ensure timely closure of the Management Action plans. All process enhancements were documented in the Audit Manual. Standard board presentations and audit reports were revised to enhance clarity and conciseness. The team also completed several utility industry-related training courses to improve performance and quality and strengthen their knowledge. In 2024, Internal Audit will commence phase two of its efforts. This includes developing quarterly risk assessments and implementing a rolling internal audit plan, among other improvements.

2024 LIPA Work Plan Projects

Internal Audit is not proposing any Work Plan projects for 2024. Internal Audit will focus on executing the approved 2024 Audit Plan and conducting ongoing oversight activities.

APPENDIX A: **2023 WORK PLAN STATUS**

Transmission and Distribution

Develop a Climate Resiliency Plan

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: TJ Coates
Status: Completed	Applicable PSEGLI Perf Metrics: T&D-24 – Vegetation Management Work Plan – Cycle Tree Trim with Vegetation Intelligence T&D-25 – Vegetation Management Work Plan – Trim to Sky (TTS) Circuits T&D-26 – Vegetation Management Work Plan – Hazard Tree Removal T&D-27 – Storm Hardening Work Plan – Overhead Hardening T&D-28 – Storm Hardening Work Plan – Underground Hardening T&D-30 – Storm Hardening Work Plan – ACRV Commissioning Program T&D-31 – Storm Hardening Work Plan – LT5H (ASUV) Program

DESCRIPTION

Develop a Climate Vulnerability Study (CVS) that will lead to a Climate Resiliency Plan (CRP) that meets the resiliency objective of the Board's Transmission and Distribution Operations policy and the scope of New York State' CVSs and CRPs. The CRP should drive system and operational performance improvements to achieve at least a 15% improvement in customer minutes interrupted (CMI) within five years for a storm similar to Tropical Storm Isaias. CRP should include: 1) policy, procedures, and system design criteria updates, as needed, to accommodate climate change impacts, and 2) asset-specific plans and resource needs to adapt to climate change, with projections of investments and CMI benefit by year. LIPA will participate in EPRI's Climate READi initiative and Brookhaven National Lab's Climate-Energy-Resiliency Project to further this project through collaboration with partners.

YEAR END ACHIEVEMENTS

LIPA and PSEG Long Island retained ICF to complete the CVS and participate in EPRI's Climate READi Initiative. The Board has been updated on LIPA's storm resiliency measures, including the model of actions to provide a 15% reduction in CMI over five years. A review of the draft CVS was completed in Q3. Comments were sent to ICF for incorporation into the CVS. A new draft was submitted and is under review with LIPA and PSEG Long Island. The CVS completes the 2023 scope of work. A 2024 project will complete a CRP, which will be presented to the Board in 2024.

DELIVERABLES

Meet with BNL on LIPA's participation in the Climate Energy Resiliency project.	100%
Meet with Environmental Advisory Group on the CVS and CRP scope and timeline.	100%
CEO approval of outline of CRP actions that provide at least a 15% reduction in CMI for a storm similar to Tropical Storm Isaias over 5 years.	100%
Meet with EPRI on Climate READi; define scope, assign team members, and update the project plan for LIPA/PSEG deliverables.	100%
Present annual report on T&D operations to BOT including storm resiliency measures. KPI and expected CMI benefit by major program.	100%
ICF delivers report on Climate Science developed for CVS.	100%
LIPA and PSEGLI to review Climate READi guidance for utilities.	100%
Incorporate relevant ClimateREADi guidance into CVS.	100%

Transmission and Distribution

Enhance Grid Operations

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Peter Mladinich
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Issue RFQ to obtain the services of an independent third party to conduct a technical review of the technological maturity of LIPA's current grid operations. The final report from that review will contain findings and actionable recommendations for a future (2024) LIPA-PSEG Long Island working group charged with identifying and implementing technological innovations to enhance grid operations.

YEAR END ACHIEVEMENTS

The original project scope was to hire a third-party to analyze the current system protection philosophy, assess the maintenance of existing equipment protection, and suggest recommended technical innovations to enhance grid operations. The decision was made to utilize internal LIPA protection and control expertise to complete the scope of work. LIPA worked with PSEG Long Island to complete the development of the Automatic Circuit Reclosing Viper (ACRV) strategy, develop the Automatic Sectionalized Unit Viper (ASUV) operational implementation work plan and TripSaver strategy, and create the TripSaver project justification document. The ACRV and ASUV operational implementation strategy was reflected in 2024 Performance Metrics T&D-30 and T&D-31. The first wave of TripSaver installations will begin in 2024.

DELIVERABLES

Create a work plan to align with Roadmap.	100%
Develop a RFQ for an independent third-party technical review of LIPA's current grid operations' technical maturity.	100%
Select vendor to conduct the technical review and evaluation.	100%
Develop ACRV strategy.	100%
Develop ASUV operational implementation workplan.	100%
Develop TripSaver strategy.	100%
Create TripSaver project PJD.	100%
Procurement plan for S&C TripSavers.	100%
Develop TripSaver installation workplan.	100%

Transmission and Distribution

Enhance LIPA's Physical Security

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
Status: Completed	Applicable PSEGLI Perf Metrics: T&D-45 – Physical Security

DESCRIPTION

Conduct an end-to-end review of opportunities to improve physical security, including people, processes, tools, and technology (protection systems and operational practices) against all threats utilizing industry best practices. Develop and implement a physical security program, administrative and technical controls, and technologies to enhance the utility's physical security posture. Further, evaluate new technology that improves compliance with regulatory agency requirements regarding the physical security of facility access for control centers, substations, and operation centers.

YEAR END ACHIEVEMENTS

The scope of this work plan was re-evaluated in Q3 2023, which resulted in building cross-functional teams from LIPA and PSEG Long Island. The primary objective was to conduct a Physical Security Strategy Assessment, which was completed by year-end, with deliverables including a substation prioritization matrix and a draft project plan for 2024 and beyond. A 2024 work plan has been created to transform actions identified in the substation prioritization matrix into a Project Implementation Plan that defines deliverables for 2024 and beyond, as this is a multi-year effort.

DELIVERABLES

PSEGLI submits a PIP from the 2022 Physical Security Assessment.	100%
Assess and Develop Physical Security Strategy.	100%
Develop Project Plan as basis of 2024 PIP Development and Execution.	100%

Transmission and Distribution

Enhance PSEG Long Island Emergency Response Plan, Business Continuity Plans, and Functional Exercises

Board Policy: Information Technology and Cyber Security; Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Donald Schaaf
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Enhance the Business Continuity Plans (BCP), ERIPs, and associated functional exercises for all critical processes. Make targeted improvements to PSEG Long Island's Emergency Response Plan (ERP) and update the ERP for cyber response per the 2022 Legislative Bill signed by the Governor.

YEAR END ACHIEVEMENTS

Targeted improvements were made to the 2023 ERP submission and included language for cyber response per the 2022 Legislative Bill signed by the Governor. DPS approved the 2023 ERP in June 2023. Functional Exercises were also completed. 300+ LIPA recommendations and observations were forwarded to PSEG Long Island and were completed by year-end. LIPA secured a vendor to supplement staff in the annual review of the 2024 ERP submission. A draft schedule for developing a full Functional Exercise for Q3 2024 and for further 2024 revisions of the ERP was completed and presented to executive leadership on December 15, 2023.

DELIVERABLES

Complete ERIP-004 functional exercises for all processes by end of April 2023.	100%
Present findings and recommendations from ERIP-004 functional exercises to PSEGLI and request timeline to address 300+ AAR items.	100%
Review December 2022 ERP and provide recommendations to PSEG for at least three areas to improve for the 2023 submission, including cyber response (per 2022 Legislative Bill).	100%
SOW for benchmark study of ERP industry best practices and frameworks.	100%
Benchmark study comparing PSEGLI ERP to other utilities in New York and across the Northeast.	100%
Approve project plan from PSEG Long Island to close out 300+ AAR recommendations from ERIP-004 exercises.	100%
Meet with DPS to finalize an approach to streamlining the existing approved ERP.	100%
PSEGLI to submit Proposed 2024 ERP for review and edits.	100%
Complete IV&V of PSEG Long Island's close out of 300+ AAR recommendations from ERIP-004 exercises.	100%
Finalize 2024 ERP submission and forward to DPS.	100%
Finalize workshops and improvements for development in 2024 ERP and drills.	100%

Transmission and Distribution

Evaluate PSEG Long Island Workforce Management Procedures and Protocols

Board Policy: Customer Value, Affordability, & Rate Design; Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Peter Mladinich
Status: Completed	Applicable PSEGLI Perf Metrics: T&D-17 – Work Management Enhancements – Short Term Scheduling; T&D-18 – Work Management Enhancements – Workforce Management Plans; T&D-21 – Work Management Enhancements – Work Management KPIs and Dashboards; T&D-23 – Employee Overtime

DESCRIPTION

Improve budgeting and reporting on the workforce in the O&M and Capital budgets and enhance productivity.

YEAR END ACHIEVEMENTS

LIPA retained EnerNex to review the accuracy of PSEG Long Island's Capability Unit Estimates (CUEs). LIPA worked with PSEG Long Island to develop a budget template that links work management models to budgeted headcount for use in the 2024 Budget. PSEG Long Island also provided overtime targets by craft through 2030, which were reviewed by LIPA. A 2024 work plan has been created to improve the Governance, Structure, Usage, and Accuracy of the CUE Library based on 2023 findings.

DELIVERABLES

Produce a catalog of work management (WM) tools in use in T&D and Finance.	100%
RFQ for services related to the review and accuracy of (Capability Unit Estimates) CUEs.	100%
Review RFQ responses and interview.	100%
Develop a 2024 budget template that links work management models to budgeted headcount and related funding levels.	100%
Provide LIPA's expectations for PSEGLI workforce analysis and overtime targets by craft through 2030.	100%
Select vendor to complete analysis and accuracy of 10 most commonly used CUEs and compliance to CUE policies.	100%
Evaluate present WM tools and create additional tools to drive improvement in the workforce productivity.	100%
PIP: Complete LIPA's review of PSEGLI workforce analysis and overtime targets by craft through 2030.	100%

Transmission and Distribution

Fleet Management

Board Policy: Clean Energy and Power Supply; Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: TJ Coates
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Outline specific actions PSEG Long Island will take over the next three-year period to implement the 2022 PA Consulting Fleet Management Assessment Report recommendations organized around six (6) topics: Fleet Procurement, Fleet Utilization, Fleet Fueling Procedures, Fleet Maintenance, Fleet Renewal and Transition to EVs, and Fleet Management. The project objectives are to continually improve the efficiency and effectiveness of fleet management practices.

YEAR END ACHIEVEMENTS

PSEG Long Island completed a final reporting template and reports monthly on the number of reduced truck rolls resulting from the AMI implementation. PSEG Long Island also drafted a scope of work for soliciting a supplier to conduct the Fleet Renewal EV Transition Study. However, LIPA and PSEG Long Island instead established a small working group. This working group will visit Altec in January 2024 to discuss hybrid heavy-duty vehicles and inform the future development of fleet standardization plans. Additionally, development was completed for a multi-year plan to implement a standardized fleet of one manufacturer by vehicle type, common design for heavy-duty vehicles, hybrid fuel heavy-duty vehicles, and small and light-duty electric vehicles. A NYSEDA Concept Paper was completed. However, LIPA was not awarded the Vehicle Grid Integration Program grant. The remaining open action is to return the two remaining COVID rental vehicles, which are bucket trucks expected to be returned in Q1 2024. All other COVID rental vehicles were either returned or offset by the return of AMI implementation vehicles.

DELIVERABLES

Defer annual spend of replacing 76 light duty vehicles due for retirement in 2023.	100%
Submit three IRS Form 8849 - Federal Gasoline Excise Tax Claims for Refund on behalf of LIPA totaling \$650k for the period 2020-2022.	100%
PSEG Long Island will maintain its monthly fuel tracker that includes the type (diesel or gasoline), price, and source (internal or retail fueling stations) and adjust fueling strategies accordingly. PSEG Long Island will send LIPA the year-end 2021-2022 tracker report and, beginning in April 2023, a monthly fuel tracker report.	100%
PSEG LI increased PM schedules from 6,000 miles to 8,000 miles for 539 light duty vehicles and 396 off road and equipment units (61% of current fleet assets).	100%
Develop SOW for solicitation of a supplier to conduct a Fleet Renewal EV Transition strategy.	100%
Allocate maintenance staff to build up 2nd shift bringing current staffing levels to 43% days and 57% nights in 2023.	100%
Develop a final report template and begin monthly reporting of AMI reduced truck rolls to LIPA.	100%
Return 142 COVID rental vehicles.	100%
Develop monthly fleet utilization and fueling reports for Operations and LIPA.	100%
Reevaluate current vehicle life cycles.	100%
Leverage Telematics Reporting Capability.	100%
Track reduced spend on PMs and other inspections.	100%
PSEGLI will incorporate PA Consulting Fleet Assessment process improvements and recommendations into the 2023 utilization study and share results with LIPA.	100%
Discussion with Altec Leadership regarding hybrid HD vehicles and standardization plans.	100%
Defer annual spend of replacing 58 light duty vehicles due for retirement in 2024 and 66 light duty vehicles due for retirement in 2025.	100%

Transmission and Distribution

Review and Improve Damage Assessment

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Donald Schaaf
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Identify areas for marked improvement in damage assessment, including IT innovations and additional staffing, and coordinate planning to complete all damage assessments within 72 hours of restoration.

YEAR END ACHIEVEMENTS

A LIPA benchmark study to other utilities recommended process improvements and enhancements that reduce the time required for post-storm damage assessment and speed up overall storm restoration. The final report included industry best practices and recommendations to improve PSEG Long Island's damage assessment process. The report covered various areas, such as staffing requirements, organizational changes, necessary technology, and training, to ensure the damage assessment process is more efficient and effective. Key insights identified in the report will be part of the 2024 ERP rewrite and streamlining effort scheduled to begin in January 2024. However, the legwork for the ERP rewrite for the damage assessment process has been completed. LIPA will re-evaluate to ensure that recently passed PAL 1020 is included in any changes to this process.

DELIVERABLES

Identify all components of damage assessment as described in the PSEGLI ERP, Section 15.	100%
Identify and pre-market RFQ to broaden the potentially qualified respondents to the RFQ for damage assessment.	100%
Create and release an SOW for services related to the review and recommendations for improvement of damage assessment.	100%
Assess the current ERP Damage Assessment processes.	100%
Benchmark, recommending process improvement and enhancements to close any identified gaps and decrease the time needed to complete post-storm Damage Assessment and accelerate overall storm restoration.	100%
Review and finalize report. Provide recommendations to PSEGLI to help with ERP revisions being conducted in 2024.	100%

Transmission and Distribution

Triennial Safety Assessment

Board Policy: Safety	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Conduct the triennial third-party safety assessment to review and evaluate the appropriateness and effectiveness of PSEG Long Island's safety initiatives, including its safety standards and procedures.

YEAR END ACHIEVEMENTS

The Triennial Safety Assessment commenced in December 2023 with the selection of a qualified independent third-party consultant. Progress against any material findings/recommendations from the assessment will be tracked under the 2024 Triennial Safety Performance Metric T&D-52, eliminating the need for a corresponding 2024 Work Plan project. The Triennial Safety Assessment is expected to run through the beginning of Q2 2024.

DELIVERABLES

Create a work plan in Smartsheet to align with Roadmap.	100%
Identify all components of the triennial safety assessment.	100%
Identify and pre-market RFQ to broaden the potentially qualified respondents to the RFQ for triennial safety assessment.	100%
Create and release an RFQ for services related to the review and evaluate PSEG Long Island's safety initiatives, standards, and procedures for the triennial safety assessment.	100%
Review RFQ responses and interviews.	100%
Select a vendor to complete the safety review and evaluation.	100%

Customer Experience

Call Center Improvement Plan

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Sarah Mandli
Status: Completed	Applicable PSEGLI Perf Metrics: CS-01 – Delivery of Strategic Customer Experience & Billing Projects CS-11 – Contact Center Service Level with Live Agent Calls CS-13 – First Call Resolution (FCR) CS-23 – Deferred Payment Agreement (DPA) Improvement CS-28 – Move Process Improvement IT-05 – Project Performance – In-flight Projects IT-06 – Project Performance – New 2023 Projects

DESCRIPTION

Validate the effectiveness of PSEG Long Island's proposed Call Center Get-Well Plan and the appropriateness of the incremental budget ask. Establish enhanced reporting and monitoring on Call Center performance through the 2023 performance year based on the Get-Well Plan and evaluate the effectiveness of PSEG Long Island recommendations around average handling time (AHT), Customer Representative (CR) productivity monitoring, shrinkage, staffing model, and levels (FTE versus OT), call volume forecasting, and future self-service expansion approach.

YEAR END ACHIEVEMENTS

LIPA has completed a review and validation of the effectiveness of PSEG Long Island's proposed Call Center Get-Well Plan and the appropriateness of the incremental budget request. LIPA established enhanced reporting and monitoring on Call Center performance through the 2023 performance year based on the Get-Well Plan and evaluated the effectiveness of PSEG Long Island recommendations around average handling time, CR productivity monitoring, shrinkage, staffing model, and levels (FTE versus OT), call volume forecasting, and future self-service expansion approach. LIPA's proposed 2024 Performance Metrics related to the call center are based upon the findings of the 2023 project and include metrics on service levels (CS-11), IVR containment (CS-25), move process improvement (CS-28), optimizing contact center resources (CS-30), and call AHT (CS-31).

DELIVERABLES

Issue to Board LIPA assessment of PSEGLI Get Well plan effectiveness.	100%
Complete Discovery Phase on budget request and proposed 2023 improvement plan.	100%
Approve PSEGLI detailed task and expected outcome plan.	100%
Complete impact/status report for project deliverables, timeline, and expected outcome achievement through April.	100%
Provide initial status progress and impact report to LIPA Board.	100%
Analyze PSEGLI's IR response for agent recruiting and training against best practices.	100%
Evaluate effectiveness of Convergent supplemental staffing including PSEGLI proposed path forward with Convergent and associated analysis.	100%
Validate effectiveness of training and hiring PSEGLI Get Well Plan vs. gaps from best practice analysis.	100%
Develop 2024 Performance Metrics.	100%
Evaluate effectiveness and next steps for the performance managed agents.	100%
LIPA update on progress as part of CEO briefing - November.	100%
LIPA update on progress to Board Oversight committee - December.	

Customer Experience

Customer Operations - Structure, Staffing and Capabilities Study

Board Policy: Customer Experience; Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Sarah Mandli
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Conduct a consultant-led staffing study to identify any PSEG Long Island gaps in organization alignment, headcount, optimal reporting, and support ratios for a fully functional Customer Operations department and determine if organizational changes are needed.

YEAR END ACHIEVEMENTS

Due to the challenges related to the Call Center performance, LIPA refined the project scope to focus specifically on the Call Center and Billing organizational structures. LIPA staff developed a dynamic contact center staffing model to determine headcount based on volume and expected performance. PSEG Long Island and LIPA continue to partner to define assumptions for the model to ensure appropriate staffing levels. In addition to the Call Center and Billing, PSEG Long Island proposed changes to other segments of the organization, which LIPA reviewed as part of the 2024 Budget submission. Staffing and organizational structure assessments will continue into 2024 with a new project focusing efforts on two Customer Operations organizations: Business Solution and Customer Experience.

DELIVERABLES

Execute contract task order to obtain Organizational Design Expert	100%
Mobilize project team and design plan with PSEGLI for Phase 1 changes (Call Center & Billing)	100%
Develop appropriate 2024 Performance Metrics	100%
Develop agreed on Call Center staffing model for 2024 budget	100%
Provide feedback on draft PSEGLI recommendations for customer contact support and leadership	100%
Develop 2024 budget impact with PSEGLI recommendations on Call Center, Billing, Customer Office, etc	100%
Complete benchmarking against LPPC. **Since the project objectives have been achieved, this activity will be tracked to completion in the LIPA Open Items Task Tracker	0%

Customer Experience

Deploy a New Standard TOD Rate - Residential

Board Policy: Clean Energy and Power Supply; Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Sarah Mandli
Status: Completed	Applicable PSEGLI Perf Metrics: PS&CE-08 – Transition to New “Standard” Time of Day Residential and Small Business Rates on an Opt-Out Basis

DESCRIPTION

Implement and design a residential standard and heating time-of-day (TOD) rate offering to encourage building electrification and ensure engagement with all key stakeholders.

YEAR END ACHIEVEMENTS

LIPA successfully obtained a recommendation from the New York State Department of Public Service and approval from the LIPA Board of Trustees on the new standard non-heating Time-of-Day (TOD) rate and an optional super off-peak TOD rate. Various meetings were held with key stakeholders to review the implementation plan to roll out the non-heating TOD rate, which is scheduled for 2024 and 2025. LIPA also reviewed alternative rate designs for a heating TOD rate and determined that the super off-peak TOD rate was the appropriate structure for most cold climate heat pump customers. Further, the analysis determined that the existing residential heat rate (Rate 580) is no longer cost based and should reflect technological developments since it was adopted. LIPA met with the New York Solar Energy Industries Association and other stakeholders on the findings and analysis. LIPA continues to engage with PSEG Long Island and stakeholders on the implementation effort.

DELIVERABLES

Consultant development of draft Heating TOD rate design.	100%
Complete stakeholder Phase 2 process (formal SAPA comment period and hearings).	100%
DPS recommendation of non-heating TOD proposal.	100%
Present non-heating TOD rate proposal to LIPA Board.	100%
Board approval for TOD rate.	100%
Brief NYSEIA and other stakeholders on scope and timeline to develop Heating TOD rate design.	100%
Consult with IBEW, LIPA CAB on TOD roll out, customer communications and marketing plan.	100%
Stakeholder meetings on draft Heating TOD rate design, including NYSEIA.	100%
Develop scope of work with Hofstra on review of TOD for LMI and disadvantaged communities.	100%

Customer Experience

Meter Inventory Management Redesign

Board Policy: Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Sarah Mandli
Status: Carryover	Applicable PSEGLI Perf Metrics: BS-33 – Consolidate Real Estate Footprint

DESCRIPTION

Determine the feasibility of selling excess meters back to L&G based on optimal inventory levels and financially prudent decisions; validate the methodology and inputs used to determine reorder points and 18-month schedule need; confirm a capital-labor and meter purchase plan and confirm inventory reorder points are based on revised AMI workload.

YEAR END ACHIEVEMENTS

LIPA validated the methodology and inputs used to determine meter reorder points and established 2024 reorder points to maintain an 18-month supply of meter inventory. The meter inventory capital budget for 2024 was also assessed to ensure alignment with meter demands. LIPA will continue to address open items regarding the outstanding sale of excess meter inventory.

DELIVERABLES

Approve the proposal submitted by PSEGLI for analysis of sale of excess inventory.	100%
Prepare budget impact due to credit for sale of excess inventory.	100%
IVV the 2024 capital budget request and confirm the capital labor and meter purchase plan based on AMI workload.	100%
Determine plan for meter sale that was not executed.	10%

Customer Experience

Review PSEG Long Island Advance Metering Infrastructure

Board Policy: Customer Experience; Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Robert King
Status: Completed	Applicable PSEGLI Perf Metrics: CS-22 – Advanced Metering Infrastructure Roadmap and 2023 Improvements

DESCRIPTION

Review the PSEG Long Island advance metering infrastructure implementation and develop 2024 metrics.

YEAR END ACHIEVEMENTS

LIPA completed an independent assessment of the Advanced Meter Infrastructure (AMI) implementation, including deep dives into system integrations, theft detection capabilities, and the collection disconnect process. LIPA's findings and recommendations during the assessment were incorporated into the multi-year AMI roadmap, produced as part of the 2023 CS-22 Performance Metric.

DELIVERABLES

Issue final Phase 2 consolidated AMI IVV report.	100%
Draft Theft and Connection disconnect report.	100%
Draft the IVV integration report.	100%

Power Supply and Clean Energy

Complete Integrated Resource Plan

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
Status: Carryover	Applicable PSEGLI Perf Metrics: PS&CE-01 – Complete Integrated Resource Plan (IRP) Follow-on Activities

DESCRIPTION

Complete the Integrated Resource Plan (IRP) and obtain Board approval.

YEAR END ACHIEVEMENTS

The 2023 Integrated Resource Plan (IRP) briefings were conducted with key stakeholders, Newsday, and other media outlets. The Board of Trustees was briefed publicly during the November Board meeting. Communications materials have been completed and posted to the LIPA website. Public comment sessions on the 2023 IRP will be conducted in February 2024, with consideration by the Board of Trustees scheduled for Q2 2024. A series of follow-on studies from the IRP are ongoing and other recommended actions have been incorporated into the Work Plan and Performance Metrics.

DELIVERABLES

Prepare outline of IRP presentation.	100%
Prepare first draft of IRP presentation.	100%
Communications Material: Finalize FAQ and design.	100%
Communications Material: Reorganize PowerPoint slides to align with messaging / easy to tell story.	100%
Communications Material: Update IRP website.	100%
External Affairs: Conduct IRP briefings for DPS and NYSERDA prior to release.	100%
Brief Newsday and other media ahead of IRP release.	100%
Brief Board of Trustees on IRP.	100%
Communications Material: Create video content and scripts, conduct interview, and produce video(s).	100%
Brief key stakeholders prior to public hearings.	50%
Internal comms messaging; distribution to relevant lists; Op-Ed from CEO.	90%
In person and virtual presentation and public comment sessions: Nassau Suffolk, Rockaways.	50%
Obtain Board of Trustees approval of Final IRP.	0%

Power Supply and Clean Energy

Plan for CRIS Rights and Power Supply Agreement Extension Beyond 2028

Board Policy: Clean Energy and Power Supply; Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Develop and execute a strategy to maximize the value of CRIS rights, including negotiations with National Grid. Identify desired changes in terms and rate formula and prepare for PSA negotiations with National Grid.

YEAR END ACHIEVEMENTS

LIPA outlined a negotiating strategy and drafted a term sheet reflecting LIPA's preferred terms for transferring Capacity Resource Interconnection Service (CRIS) rights from PSA-generating units anticipated to be phased out to future clean energy projects. The team prepared a preliminary list of PSA terms and conditions that may need to be updated under a PSA extending beyond 2028. Discussions with National Grid kicked off in January 2024.

DELIVERABLES

Review LIPA's proposed form of National Grid Power Supply Agreement.	100%
Identify preferred form and timing of conveying CRIS rights.	100%
Conclude negotiations with National Grid on ramp down and CRIS rights.	5%

Power Supply and Clean Energy

Develop Large Generator (>20MW) Interconnection Status Tracking System with NYISO and Transmission Owners

Board Policy: Clean Energy and Power Supply; Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: David Clarke
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Enable LIPA and PSEG Long Island management visibility into the status of interconnection requests within the NYISO queue, including actions pending by relevant parties (developer, PSEG Long Island, NYISO), to facilitate performance assessments and review and implement business process improvements.

YEAR END ACHIEVEMENTS

LIPA established standardized data that PSEG Long Island will track and report and worked closely with PSEG Long Island and NYISO to reform and streamline the interconnection process in anticipation of a Q1 2024 FERC filing. The team will continue to increase coordination with NYISO on interconnection tracking throughout 2024. FERC has proposed penalties for interconnection delays. The tracking of hand-offs between parties and management oversight will be important components of ensuring timely interconnections.

DELIVERABLES

Initiate regular meetings with NYISO on Interconnection Tracking.	100%
Discuss with NYISO surveying other utilities tracking processes and best practices.	100%
PSEGLI to populate the Smartsheet, reporting cycle time data to at least the major study level.	100%

Power Supply and Clean Energy

Meet LIPA's Share of State Battery Storage Goal for 2025 and 2030

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
Status: Multi-Year	Applicable PSEGLI Perf Metrics: PS&CE-02 – Complete Energy Storage Request for Proposal (RFP) Follow-on Activities

DESCRIPTION

Complete the procurement and permitting of LIPA's battery storage RFP to meet 2025 storage goals and the NYSERDA procurement option for the 2030 storage goal.

YEAR END ACHIEVEMENTS

LIPA and National Grid have signed a Letter of Intent containing the terms and conditions for a “lease with the option to purchase” agreement for the West Babylon property and have agreed on the appraiser's fair market value estimate to transfer property in West Babylon to LIPA. Contract negotiations with two developers for five battery storage projects at four sites continue. The next steps include executing a lease agreement for the West Babylon property, finalizing contract negotiations with storage developers, gaining Board approval for storage contracts, and obtaining AG and OSC approvals for BESS contracts. LIPA has had discussions with NYSERDA on procurement options that involve both LIPA procurement, where advantageous, and procurement of battery storage on Long Island through NYSERDA programs.

DELIVERABLES

Submit a project plan for completing negotiations by 6/30/2023 with successful bidders in the Battery Storage RFP.	100%
Submit comments on NYSERDA Storage Road Map.	100%
Establish process for Shoreham BESS SEQR Environmental Assessment and site review.	100%
Reach agreement with National Grid on fair market value of West Babylon property.	100%
Identify and communicate to developer technical, environmental and safety criteria relevant to LIPA approval.	100%

Power Supply and Clean Energy

Options Analysis for the ER&T Contract

Board Policy: Clean Energy and Power Supply; Power Supply Hedging Program	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Ophelia Byrne
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Create an Options Analysis that evaluates alternatives for the PSEG ER&T contract expiring on December 31, 2025. The Options Analysis will determine the costs, benefits, organizational design, IT system requirements, procurement law requirements, and risks. The outcome will determine the preferred path with supporting analysis by year-end 2023 for execution in 2024.

YEAR END ACHIEVEMENTS

A subject matter expert was engaged to conduct the Options Analysis. LIPA initiated discussions with several potential vendors to assess alternatives. Interim and final findings were completed and reviewed with LIPA management. A 2024 Work Plan has been developed to manage execution of the expiring contract based on the findings.

DELIVERABLES

Conduct a study of the ER&T contract options.	100%
Initiate discussions with potential bidders about options for services.	100%
Circulate final draft of options report for executive review.	100%

Power Supply and Clean Energy

Implement Heat Pump Deployment Roadmap

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Louisa Chan
Status: Completed	Applicable PSEGLI Perf Metrics: PS&CE-13 – Heat Pump Strategy to Address Barriers to Customer Adoption

DESCRIPTION

Develop a 2024 to 2026 heat pump deployment roadmap to reduce customer friction points, achieve next-level deployment, and meet the State's heat pump goals, including the programs dedicated to low- and moderate-income customers. Develop the 2024 PSEG Long Island Performance Metrics and budget associated with the roadmap.

YEAR END ACHIEVEMENTS

LIPA completed an analysis of the spending on heat pumps and provided recommendations to improve the low-and-moderate income (LMI) Heat Pump Rebate Program. These recommendations included informing LIPA of any changes introduced to the rebate program in advance. LIPA also suggested changes to increase the amount of disadvantaged communities (DAC) spending. Improvements were made to the data collection for heat pump rebates to obtain leading indicators for the program outcomes. As part of the 2023 heat pump roadmap Performance Metric, LIPA developed additional improvements related to customer tools, outreach, supply chain, and enhancements. Lastly, LIPA analyzed and created profiles for Long Island customers to determine the need and impact of a time-of-day rate for electric heating customers. A 2024 Performance Metric will implement programmatic changes to address customer heat pump adoption barriers as part of the multi-year heat pump strategy.

DELIVERABLES

Assess Current state and develop rebate path forward for 2023.	100%
Complete study of heat pump-friendly cost-based rate designs.	100%
Finalize report on heat-pump friendly cost-base rate designs and incorporate into heat pump roadmap.	100%
Design 2024 Performance Metrics.	100%
Confirm LIPA target from NYSERDA for the 2 million homes goal for 2030.	100%

Power Supply and Clean Energy

EV Make-Ready and Energy Efficiency Program Review

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Louisa Chan
Status: Completed	Applicable PSEGLI Perf Metrics: PS&CE-03 – Energy Efficiency Plan Savings PS&CE-05 – Beneficial Electrification – Building Electrification PS&CE-06 – Electric Vehicle (EV) Make-Ready

DESCRIPTION

Review program effectiveness and reasonableness of budgets and targets for EV and make-ready program. Prepare a multi-year plan to meet state NENY targets, including budgets and performance metrics by year.

YEAR END ACHIEVEMENTS

LIPA secured the expertise of electric vehicle and heat pump specialists to thoroughly examine the results of the performance metrics for 2022 and 2023. As part of that review, LIPA assessed the energy efficiency lighting calculations. LIPA worked with PSEG Long Island to align the energy savings approach for lighting, reassess spending amounts for energy efficiency, and increase low-moderate (LMI) spending as part of Utility 2.0. LIPA refined the 2024 Performance Metrics to achieve critical objectives and will work closely with DPS and NYSERDA to ensure alignment with opportunity assessments and research. LIPA will continue to provide PSEG Long Island with feedback on their Utility 2.0 filing, including comparing best practices and other utilities.

DELIVERABLES

Define project scope for NENY EE review .	100%
Define project scope for EV Make-Ready program.	100%
Conduct verification of 2022 PSEGLI EV performance metrics.	100%
Review LMI Heat Pump Program including budget, participation, rebate value and cost mitigation with Fed tax credits.	100%
IV&V of 2022 PSEGLI Energy Efficiency performance metrics.	100%
Review DAC statewide reporting framework with NYSERDA and PSEGLI.	100%
Analyze plan to meet NENY targets.	100%
Analyze EV make-ready program effectiveness, 2022 underperformance on Level 2 chargers, and recommendations for 2024.	100%
Draft 2024 Performance Metric proposal to incorporate any findings.	100%
Report on the Utility 2.0 filing for Energy Efficiency programs and select necessary deep dive areas.	100%
Present NENY clean energy goal roadmap to DPS, NYSERDA.	100%
Finalize U2.0 feedback on EV Make Ready.	100%
Finalize Utility 2.0 Energy Efficiency deep dive recommended changes for final report.	100%

Power Supply and Clean Energy

Implement the Long Island Clean Energy Hub

Board Policy: Economic Development & Community Engagement	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Michael Deering
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Determine LIPA's vision and objectives for the LI Clean Energy Hub and coordinate with NYSERDA on implementation.

YEAR END ACHIEVEMENTS

In 2023, LIPA and NYSERDA held several meetings to develop a Memorandum of Understanding (MOU). The most recent version of the MOU is under review NYSERDA. As of January 2024, LIPA's understanding is the MOU is near final. Once the MOU is approved and signed, LIPA, NYSERDA, and PSEG Long Island will commence implementation of the MOU. A Work Plan has been developed for 2024 to manage the implementation efforts.

DELIVERABLES

Review SOW for hub contractor and provide comments to NYSERDA.	100%
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Office of The COO

Conduct Review of PSEG Long Island Cyber Security

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

LIPA established a cybersecurity default metric for PSEG Long Island under the reformed PSEG Long Island contract, effective April 1, 2022, to achieve and maintain a specific NIST Cyber Security Framework (CSF) level. LIPA will hire a third-party evaluator to review PSEG Long Island's cyber readiness relative to the metric and conduct an annual independent review of PSEG Long Island's NIST CSF compliance status.

YEAR END ACHIEVEMENTS

LIPA completed a review by an independent third-party consultant of PSEG Long Island's cybersecurity readiness under the Cybersecurity Default Metric based on the NIST Cyber Security Framework. The recommendations report and management readout were sent to PSEG Long Island on May 9, 2023. PSEG Long Island is developing work plans to complete the remediations identified in report. LIPA will independently review PSEG Long Island's NIST CSF compliance in 2024 to ensure remediation of prior findings and compliance with the Default Metric.

DELIVERABLES

Complete and submit the draft assessment report of PSEG LI Cybersecurity posture utilizing the NIST-CSF framework.	100%
Draft recommendations Report with Action Plans.	100%
Submit final recommendations for PSEG LI to achieve NIST-CSF.	100%
Send LIPA response letter to PSEGLI letter dated 5/17/2023 re Cyber Security Default Metric.	100%

Office of The COO

Cyber Security Organization - Structure, Staffing and Capabilities Review

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
Status: Completed	Applicable PSEGLI Perf Metrics: IT-05 – Project Performance – In-flight Projects Default Metrics on Cybersecurity

DESCRIPTION

Build a cyber security organization under the PSEG Long Island CISO that is independent of PSEG New Jersey, as required by the reformed OSA, 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.

YEAR END ACHIEVEMENTS

LIPA and PSEG Long Island worked together to evaluate PSEG Long Island's cybersecurity structure and framework. The assessment led to the development of a final report that offered suggestions on staffing, capabilities, and the future state of the organization to support PSEG Long Island's cybersecurity program. The report also estimated the cost of implementing the recommendations. In its 2024 budget request, LIPA included funding for the positions identified in the new organizational design. PSEG Long Island plans to implement the organizational design recommendations, hire staff, and establish the organization in 2024. 2024 Performance Metric IT-08 will track the progress of this initiative.

DELIVERABLES

Execute Task Order - PSEG Long Island Cybersecurity Organizational Structure Review.	100%
Project Planning and Initiation.	100%
Project Kick-Off.	100%
Project Execution (Interviews - Review Documentation and Data).	100%
Develop Draft Recommendations.	100%
Develop Final Report.	100%

Office of The COO

LIPA Cybersecurity Enhancements

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Implement cybersecurity initiatives identified in the 2022 - 2024 roadmap to enhance LIPA's cybersecurity under the NIST Cyber Security Framework.

YEAR END ACHIEVEMENTS

LIPA hired an independent third-party to evaluate its maturity for systems directly managed by LIPA IT under the NIST Cyber Security Framework. The project resulted in a Current State Profile, Risk Register, and Target State profile, along with the Penetration testing, On-site vulnerability assessment, and a PII scan. LIPA remediated all the high and medium vulnerabilities identified in the Annual Penetration Testing and Vulnerability Assessment.

DELIVERABLES

Execute the Task Order - LIPA Cybersecurity Assessment.	100%
Draft Assessment Report including Current State Profile, Penetration Testing and PII Assessment.	100%
Draft Recommendations Report including Target State Profile, Recommendations from Penetration Testing and PII Assessment.	100%
Finalize Integrated Report and Recommendations.	100%

Office of The COO

Deploy New LIPA Treasury Management System

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Minchy Shaw
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Implement a new Treasury Management System for LIPA to modernize treasury management business processes for greater efficiency and efficacy.

YEAR END ACHIEVEMENTS

LIPA successfully implemented a new Treasury Management System in 2023. This new system provides the technology that will enhance the performance and efficiency of LIPA's treasury team and meet LIPA's present and future financial system automation needs. In addition, it facilitates the inter-exchange of financial information between two mission-critical systems, D365 and Kyriba.

DELIVERABLES

OSC Approval -- Treasury Management.	100%
Project Kick-Off.	100%
Complete Analysis and Design Phase.	100%
Bank Account and Bank Fee Setup.	100%
Cash Positioning and Accounting Setup.	100%
Forecasting Setup.	100%
Payments Setup.	100%
Complete Configuration and Integration Phase.	100%
JPMorgan and Kyriba Integration.	100%
D365 and Kyriba Integration.	100%
System Go-Live.	100%

Office of The COO

LIPA Planning and Budget Management Modernization and Business Process Improvement Initiative

Board Policy: Customer Value, Affordability, & Rate Design; Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Minchy Shaw
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Replace existing tools and manual processes with an enterprise planning and budgeting system that provides increased transparency, collaboration, end-to-end budget visibility, and streamlined budget planning and development activities and functions. The goal is to have actuals, budget, forecast, project, and labor data in a centralized system -- a single version of the truth.

YEAR END ACHIEVEMENTS

LIPA successfully implemented an advanced Enterprise Planning and Budgeting System in 2023 that has significantly better capabilities for budget planning, development, monitoring, and reporting for both LIPA and PSEG Long Island. This state-of-the-art system streamlines business process and will substantially increase efficiencies and provide advanced analysis capabilities for better decision-making. The new system represents a significant step in modernizing LIPA and PSEG Long Island's operations and financial management capabilities.

DELIVERABLES

Budget System: Design and Development Phase.	100%
Budget System: Testing and Training Phase.	100%
Budget System: Go-Live.	100%
Budget System: SmartView 4-day Workshop.	100%
Budget System: Ongoing Support and Communication (Application Guide, Cost Allocation Runbook, and Performance Tuning).	100%
Use budget system for PSEGLI FY24 Budget Planning Process.	100%
Use budget system for LIPA FY24 Budget Planning Process.	100%
Complete LIPA FY24 Budget Planning.	100%
PSEGLI FY24 Budget Planning Process - Labor and Finance.	100%

Office of The COO

Conduct 2023 Appraisal of PSEG Long Island IT Organizational Maturity Metrics

Board Policy: Information Technology and Cyber Security	Board PIPs: 7.04: IT Organizational Maturity
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Randy Rinon
Status: Carryover	Applicable PSEGLI Perf Metrics: IT-01 – Organizational Maturity Level

DESCRIPTION

Appraisal of PSEG Long Island IT Department CMMI Maturity Level by a LIPA consultant, in preparation for a CMMI Benchmark Appraisal by a LIPA-selected consultant in 2024 Q2. The 2022 IT Organizational Maturity Metrics required reaching CMMI Maturity Level 3 in the Doing and Managing categories. The 2023 IT Organizational Maturity Metric covered two additional categories, Enabling and Improving, and any remaining gaps to achieve Level 3 in the Doing and Managing categories.

YEAR END ACHIEVEMENTS

LIPA contracted a CMMI consultant to conduct an independent appraisal of the Organizational Maturity of the PSEG Long Island IT Department as measured to the CMMI Framework. Although the appraisal start date was set for December 2023, it was rescheduled first to January 2024 and then to February 2024 due to scheduling conflicts and resource constraints at PSEG Long Island and delays in receiving necessary information for the appraiser to begin. LIPA is currently working with PSEG Long Island to ensure alignment with the performance metric requirements and exclusion terms, compile a comprehensive list of eligible projects for the 2023 appraisal, and conduct the appraisal using the ISACA method definition document (MDD). However, despite several requests, LIPA has yet to receive a valid list of projects and project exclusion justifications from PSEG Long Island, which is necessary to perform the 2023 appraisal. LIPA continues to make requests of PSEG Long Island to advance the independent appraisal.

DELIVERABLES

Complete 2022 CMMI assessment.	100%
Execute contract for CMMI assessor to conduct 2023 PSEG LI annual assessment.	100%
Complete 2023 CMMI assessment.	10%

Office of The COO

LIPA Crisis Management Plan Program Improvements

Board Policy: n/a	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Jonathan Reeves
Status: Carryover	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Implement the findings of the after-action review that resulted from LIPA's 2023 Crisis Management Team (CMT) Exercise, create the Primary and Alternate CMT War Rooms, implement CMP enhancements and updates, and create Training Materials and a Tabletop Exercise for 2024.

YEAR END ACHIEVEMENTS

In 2024, LIPA developed a new Crisis Management Plan (CMP) for executing its oversight responsibilities in alignment with the PSEG Long Island contract's emergency management structure. Additionally, to test the plan's effectiveness, LIPA conducted a tabletop Crisis Management Team (CMT) exercise. The CMP was updated to include position-specific roles and activation procedures. Furthermore, to facilitate War Room operation, LIPA has scoped the development of Uniondale and Hicksville CMT War Rooms. LIPA is procuring the required technology for the War Rooms, which will take longer than anticipated. LIPA expects the new technology solution to be deployed in Q2-2024. Additionally, the LIPA CMT intends to initiate Crisis Management training in Q1-2024 and complete two training and exercise sessions each year.

DELIVERABLES

CMT Plan Development and update

Conduct Policy Review to ensure all relevant Policies are considered within the CMP.	100%
Review current structure and identify gaps/changes.	100%
Review and Update CMP to reflect changes and additions identified in the CMT Exercise.	100%
Activation roster, Style guide, Comms template, and distribution list for internal and external communications.	100%
Develop role specific Playsheets/checklists for CMT members.	100%
CMT communications plan that outlines Internal and External communications strategies.	100%
Identify PSEG LI Liaison and develop checklist and playbook.	100%
Develop Protocol for War Room deployment SOP, SLA, Periodic testing, Demobilization, Primary Owners.	100%

Primary War Room (Uniondale) development

Meet with Building Management to identify: Back up power requirements, water and sewer (do bathrooms work), Emergency Access, etc.	100%
Kick Off needs assessment meeting for WarRoom layout Uniondale - Primary Location.	100%
Purchase printer for War Room (MFP).	100%
CMT Kits for deployments outside of the identified Primary and Alternate War Rooms. Vests.	100%
Identify Software Solutions and purchase for display of information during CMT Activations.	25%

Alternate War Room (Hicksville) Development - Tech

Kick Off needs assessment meeting for WarRoom layout Hicksville - Alternate Location.	100%
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Installation of technology for 'Zoom Room'.	25%
Bedding and cleaning supplies.	100%

Crisis Management Team Training

Develop ICS trainings for CMT team members and provide link to PSEGLI IMT and ERIPs.	100%
Develop training to familiarize CMT with new training and concepts for effective use of Crisis Management Plan.	25%

Crisis Management Team Exercise

Design and facilitate a scenario-based tabletop exercise with complete team to fully train, implement and test members.	25%
Conduct AAR and update plan to reflect learnings.	100%
Identify technology solution for managing CMT and communications.	100%

Office of The COO

LIPA Deployment of Document and Records Management System

Board Policy: n/a	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Shonali Wadhani
Status: Deferred until 2025	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Selection, procurement, and phased implementation of an electronic document and records management platform for lifecycle management of LIPA documents and simplified management, retention, and disposition of records in compliance with NYS and federal requirements, including a common platform with PSEG Long Island in accordance with the 2nd A&R OSA.

YEAR END ACHIEVEMENTS

LIPA implemented Wave 1 of a new electronic document and records management platform and originally planned to implement Wave 2 in 2023, but due to difficulty in finding a qualified project manager and competing priorities, the project has been deferred to 2025.

DELIVERABLES

Project Deferred

Deferred

Office of The COO

Develop Strategic Roadmaps

Board Policy: Strategic Planning and Performance Management	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Timothy Smythe
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Develop a 5-year Strategic Roadmap that advances the Board Policies for Customer Experience, Transmission & Distribution, Information Technology, Power Supply, Clean Energy Programs, and Business Services (human resources, procurement, external affairs and communications, and legal).

YEAR END ACHIEVEMENTS

In February 2023, the LIPA Board adopted the 5-year strategic roadmaps for Customer Experience, Transmission and Distribution Operations, Information Technology and Cybersecurity, Performance Management, and Finance. Plan development activities included reviewing the Board's policies, identifying gaps and potential actions through consultation with LIPA and PSEG Long Island management and staff, peer utilities, and industry experts, and prioritizing and sequencing initiatives considering the risks and benefits.

In November 2023, the process to develop the 5-year strategic roadmaps for Power Supply, Clean Energy, and Business Services launched. Initial consultations with LIPA functional leadership were completed to identify key strategic topics and areas for deeper exploration. In 2024, the team will develop the discovery report that will capture the strategic priorities and performance gaps, conduct interviews with external industry experts to identify critical trends and best practices, determine the recommended priorities and business improvement initiatives for each scope area, and complete an implementation roadmap with critical milestones. A combined 5-year Strategic Plan and Roadmap document will be presented to the LIPA Board of Trustees in 2024.

DELIVERABLES

Present to Board 5-Year Roadmaps for T&D, Customer Service, IT, Finance, and Performance Management.	100%
Board approval of 5-Year Roadmaps for T&D, Customer Service, IT, Finance, and Performance Management.	100%
Finalize update CEO-POL-005 Oversight of Service Providers to conform to the Board's updated policy on Strategic Planning and Performance Management and 2nd A&R OSA processes.	100%
Finalize update of CEO-POL-006 on Strategic Planning to conform to the Board's updated policy on Strategic Planning and Performance Management and 2nd A&R OSA processes.	100%
Execute the Task Order for Consulting Services.	100%
5-Year Roadmap Project Kickoff - Power Supply, Clean Energy, and Business Services.	100%

Office of The COO

Develop the Framework for Independent Verification and Validation (IV&V) and Performance Management

Board Policy: Strategic Planning and Performance Management	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Jessica Bretana
Status: Carryover	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Enhance policies, procedures, and systems and build the capacities within LIPA to effectively employ performance management mechanisms and standards for deliverables and performance metrics.

YEAR END ACHIEVEMENTS

LIPA initiated the procurement process to hire a subject matter expert who can carry out a comprehensive review of LIPA's existing Independent Verification and Validation (IV&V) process. The aim is to identify any gaps in the current policies, procedures, and system and suggest recommendations to enhance the overall performance management framework. The recommendations may include the development of guidelines, procedures, processes, and training programs for LIPA employees. However, during the initial procurement process, LIPA could not find a qualified vendor. Therefore, LIPA plans to reissue the RFP early in 2024. To accelerate the review process, LIPA is currently examining and documenting the existing state processes for vendor review.

DELIVERABLES

RFQ to develop a guidance document on the application of the IV&V process (depth of analysis, required review, and artifacts).	80%
Develop guidance document/procedure on the application of the IV&V process (depth of analysis, required review, and artifacts).	0%
Executive Committee review and approval of framework and procedure.	0%
Formal procedure publication, internal rollout and communication plan.	0%
Develop and deploy training plans and timeline that includes providing templates for LIPA SMEs.	0%

Office of The COO

Create Business Process Optimization Practice

Board Policy: Customer Value, Affordability, & Rate Design; Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Jessica Bretana
Status: Deferred until 2025	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Establish and define the roles and responsibilities of the Business Process Optimization (BPO) team, complete one to two pilot business process reviews (including potentially prior studies on the fleet, fuel and dispatching route optimization, "okay on arrival" truck rolls), overtime, workforce management, vegetation management), begin tracking savings and process improvements from recommendations and business process reviews, and identify BPO priorities for 2024.

YEAR END ACHIEVEMENTS

LIPA procured a vendor to assist in designing a BPO function based on industry best practices. The project formally started in early October 2023 with stakeholder interviews to determine current state capabilities. LIPA currently manages such initiatives through Work Plan projects and Performance Metrics. The team completed the organizational functional design in 2023, whereby the BPO practice would serve as a resource to the subject-matter expert teams. The focus of the project would also include formalizing policies and procedures. However, the remaining scope of this project has been deferred to 2025 due to competing priorities. LIPA continues to perform BPO projects on an ad-hoc basis through Work Plan projects and Performance Metrics, including in 2023 for Fleet Management, the Customer Operations Study, the Meter Inventory Management Redesign, the Call Center Improvement Plan, the Heat Pump Deployment Roadmap, the IT Organizational Maturity Metrics, the Cyber Security Organization review, the Rate Department Capabilities project, the Insurance Optimization Study, the Storm Cost Management and Billing Process Review, the project to Create the Property Tax Practice, the PSEG Long Island Procurement Life Cycle review, the project to Enhance LIPA Procurements, the Budget Development and Monitoring project, and the Capital Project Outreach Review, among others.

DELIVERABLES

Execute Task Order.	100%
Develop BPO function project charter and detail project plan.	100%
BPO Maturity Model: Document current state maturity of BPO function.	100%
Finalize recommendations for establishing the BPO function - Build BPO Team Charter.	80%
Executive Management Readout / Project Closeout.	Deferred
Phase 2: Identify multiple opportunities to develop a business area for a BPO pilot project that includes gathering data and performing analysis to identify the best business process area(s) to optimize and deploy the pilot.	Deferred
Phase 2: Develop and document the goals and objectives of the pilot, including: Determining resources, brainstorming strategies, creating actionable steps, and how the success will be audited (monitored) and measured. Create a short list of opportunities to decide to deploy and execute a pilot. Identify and develop tools (dashboards, scorecards, etc.) to monitor, measure, and report on pilot performance.	Deferred
Phase 2: Provide a presentation to the Executive Committee to propose and socialize the BCO practice and the proposed pilot project.	Deferred

Office of The COO

Performance Monitoring Framework

Board Policy: Customer Value, Affordability, & Rate Design; Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Jessica Bretana
Status: Canceled	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Pilot an integrated operational and financial performance monitoring framework in one to two areas (e.g. inventory, fleet, overtime).

YEAR END ACHIEVEMENTS

The project was canceled due to substantial overlap with the activities of the LIPA Planning and Budget Management Modernization and Business Process Improvement project managed by the Finance Department. Furthermore, the objective of the project will be furthered in 2024 through Performance Metric BS-35.

DELIVERABLES

Establish 2024 Performance Metrics to support project	100%
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Finance

Complete Affiliate Services Remediation Plans

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Gerard Ring
Status: Carryover	Applicable PSEGLI Perf Metrics: BS-07 (BGT-1) – Complete Affiliate Cost and Quality Justifications

DESCRIPTION

Develop a blueprint for cost accounting/cost management structure, people, systems, and practices by assessing functions provided by PSEG affiliates and exploring sourcing alternatives, per the process in reformed Second A&R OSA.

YEAR END ACHIEVEMENTS

PSEG Long Island submitted its cost and quality justification analyses to LIPA for certain services provided to ServCo at additional cost to LIPA by its affiliated companies in 2022 and 2023 pursuant to Performance Metrics BS-07. LIPA reviewed the cost-quality justifications. There remain open inquiries related to the cost and quality justifications, particularly related to Information Technology and Human Resources. The next step in the process would be the development of remediation or transition plans by PSEG Long Island. LIPA and PSEG Long Island have been working collaboratively with an independent third party on an analysis for Procurement, which is expected to conclude in Q12024.

DELIVERABLES

IT affiliate cost remediation -- draft letter seeking additional affiliate cost information that has not yet been provided	100%
Develop scope for Consultant remediation plan to build on information collected as part of 2022 and 2023 Affiliate Metrics that required PSEGLI to develop in a Cost Benefit Analysis of Affiliate services.	100%
Kick-off PSEGLI Cost Benefit Analysis 2023 Metric process	100%
IT affiliate cost -- letter regarding contracts and cost pools	100%
Review the CBA with IT	25%
Review cost and quality justification analysis for Procurement, Payroll and Accounts Payable, Enterprise Risk Management, Treasury, Miscellaneous Accounting Services, and Legal Affiliate services.	75%
Review PSEGLI Remediation Plans.	0%

Finance

Budget Development and Monitoring - Process and Organizational Capability Review and Enhancement Plan

Board Policy: Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Gerard Ring
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Study the budget department capabilities and capacity (people, processes, and technology) at LIPA and PSEG Long Island to ensure efficient and effective budget development and monitoring strategies and develop an implementation plan to address the study findings.

YEAR END ACHIEVEMENTS

LIPA conducted a review and recommended that PSEG Long Island work on developing a Project Implementation Plan (PIP) to implement budget process improvements. As a result, select key enhancements have been incorporated into the 2024 budget process, with additional enhancements to be prioritized for subsequent years. PSEG Long Island submitted the proposed 2024 Budget with enhancements. LIPA proposed two PSEG Long Island 2024 Performance Metrics BS-35 and BS-40 to implement further value-added changes to the budget process to provide greater efficiency and effectiveness. These metrics address gaps and issues identified in the budget process, such as finalizing workforce management models, increasing operational and financial data sharing, and improving submission quality.

DELIVERABLES

Complete LIPA and PSEGLI review of draft consultant study.	100%
Incorporate process improvements into the 2024 budget development process framework.	100%
Develop implementation plan with specific actionable items for 2023 implementation.	100%
Develop 2024 PSEGLI Performance Metrics to capture recommendations.	100%
Complete review of PIP with PSEGLI and review Q3 deliverables	100%
Approve Budget and Rates Committee policy to reflect budget process revisions; include CEO delegation of responsibility to review PJDs for new projects. **Since the project objectives have been achieved, this activity will be tracked to completion in the LIPA Open Items Task Tracker	90%

Finance

Improve the Capital Project Development, Review, and Update Process

Board Policy: Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Gerard Ring
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Strengthen the Capital Project review and approval process by implementing a cross-functional review of LIPA and PSEG Long Island's capital project development, review, and approval process; create system requirements for the PJD management system; review the Capital Project Impact Analysis process for effectiveness; and ensure effective and timely review of capital project planning.

YEAR END ACHIEVEMENTS

LIPA improved the capital budging process, allowing greater transparency for estimating and analyzing actual spending and capital project impact analysis. The process also incorporated automation to eliminate inefficient processes. LIPA proposed a PSEG Long Island 2024 Performance Metric BS-41 to implement further value-added changes to the capital budget process, focusing on improved internal policies and procures for reviewing Project Justification Documents for quality, accuracy, and completeness; and employee training.

DELIVERABLES

Conduct a Lessons Learned on the 2022 Capital Project Review process including the development of the 2023 capital projects. Include assessing how to best use Smart Sheets to manage PJD receipt, approval and any open-status issues.	100%
Develop a process to consistently manage the initial submission, review, approval, and change management of all PJDs.	100%
Develop Smart Sheet to manage PJD receipt from PSEGLI and related approvals, rejections, changes or timing of open-status issues.	100%
Develop 2024 performance metrics, if warranted, around capital budget improvements.	100%
Propose 2024 Work Plan projects to implement 1) Hyperion improvements (as decided) and 2) front-end strategy and budget development workshops.	100%

Finance

Closeout Sandy Federal Emergency Management Agency (FEMA) Grant Claim

Board Policy: Customer Value & Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Kenneth Kane
Status: Carryover	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Provide necessary documents to close out the Superstorm Sandy FEMA claim (Category F and Category B Emergency Protective Measures) and provide remaining costs substantiation to NYS Division of Homeland Security and Emergency Services (DHSES) and FEMA to enable the release of the remaining funds to LIPA under this grant.

YEAR END ACHIEVEMENTS

LIPA collected an additional \$46 million under this grant and closed three project worksheets totaling \$60 million. LIPA is working towards finalizing the accounting for the final project worksheet valued at \$1.2 billion, a precursor to closeout. Once closed, expected by Q1 of 2024, LIPA can apply for the remaining funds owed to LIPA, estimated at \$45 million. After the FEMA review, LIPA will determine the funds not expended under this grant and reallocate funds to other eligible mitigation projects to obtain the remaining FEMA funds.

DELIVERABLES

Deliver PSEG LI back-office support labor-mitigation.	100%
Resubmit hotels, security, shuttles, crew meals close out package.	100%
Apply for additional progress payments based on DHSES validation of supporting documentation provide by LIPA.	100%
Finalize Duplication of Benefits.	100%
Provide support requested by DHSES back office labor, off island crews, restoration labor, materials, sales tax, fleet, lodging, shuttles, security, and crew meals documentation.	100%
Apply for additional progress payments based on DHSES validation of supporting documentation provide by LIPA.	100%
Respond to open DHSES inquiry on substation documentation to complete excess funds accounting.	85%
Excess funds application -- propose approx. \$35-\$40 million of additional storm hardening for excess funds application.	50%
Apply for additional progress payments based on DHSES validation of supporting documentation provided by LIPA (requires excess funds reconciliation).	95%

Finance

Deploy New Standard TOD Rate - Commercial

Board Policy: Clean Energy and Power Supply; Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: John Little
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Reform the existing rate design for the Mandatory Time-of-Use (TOU) customers to match the new TOD 3-hour peak and improve the transition between commercial rate codes based on size, seasonality, and load factor. Implement the changes in 2024 that can be accomplished within the existing capabilities of the billing system. Develop a plan for further refinements to complete the overall rate plan for commercial customers and create the optional 4-part rate that the IOUs have developed under the PSC's Standby Service Order as a possible alternative path to modernizing the commercial rate design.

YEAR END ACHIEVEMENTS

The LIPA Rates Department established a multi-year strategy for commercial rates that provides an end-state vision with the recommendation that further analyses be performed and evaluated during 2024 so that implementation plans can be executed in 2025, leading to the proposed conversion of commercial rates and corresponding migration of customers to a modern TOD structure in 2026. Proposed activities that will further evaluate, validate, or revise the proposal are scheduled for completion in 2024 as part of normal business operations.

DELIVERABLES

Develop a set of potential rate design opportunities for commercial customers and present to the Budget Review Committee.	100%
Establish guidelines of limitations with currently available billing system capabilities and resources.	100%
Perform screening analyses to recommend the future rate path for commercial customers.	100%
Execute rate changes that can be implemented in 2024 using the existing billing systems and issue the SAPA notice if needed.	100%
Present proposed commercial rate design changes to the Budget Review Committee.	100%
Incorporate the proposed 2024 rate changes into the November 1st DPS letter and projected revenues for the 2024 budget.	100%
Receive Board approval for the proposed 2024 rate changes to be effective January 1, 2024.	100%

Finance

Enhanced Analysis of Customer Usage

Board Policy: Customer Experience; Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: John Little
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Expand the resources and capabilities of the service provider and its ability to respond quickly, thoroughly, and professionally to requests from LIPA for analyses that use AMI data and customer information. Supplement the service provider's resources and capabilities with LIPA staffing and expertise to direct the studies and perform additional analyses where appropriate.

YEAR END ACHIEVEMENTS

LIPA identified key Mid-Year 2023 sales forecast drivers and backup information to support projected trends. LIPA also established work plans for the Load Forecasting, Research and Analysis, and Efficiency and Renewables departments to develop supporting data and analyses. Monthly variance reporting against last year's forecast and monthly load profiles for all major residential and commercial rate codes, residential net metering, and time-of-day customers were completed. Ad hoc studies to support the potential revenue impacts from the migration of customers to the residential Time of Day rate were also conducted. Continued enhancements to analyses of customer usage have been incorporated into PSEG Long Island's normal business operations for 2024.

DELIVERABLES

PSEGLI to perform analysis of customer usage during and after COVID-19 pandemic and impacts on the sales forecast in future years.	100%
Determine 2024 PSEGLI Performance Metrics and budget resource needs based on project findings.	100%
Document PSEGLI's plan accomplishments for progressive improvements each month during Q3 to the monthly reporting of the sales forecast results.	100%
Document the number of ad hoc analyses of load shapes, impacts on rates and revenues and PSEG LI staff resources used compared to a baseline from 2022.	100%
Evaluate PSEGLI's development of weather-normalized forecast of billing determinants for each rate class in the Rate Design Model and Revenue Model that will be used to determine the rate design and revenue forecast for the 2024 budget package that meets the schedule established by the Budget Department.	100%
IV&V PSEGLI's residential typical use forecasts for the 2024 budget package and evaluate their success in: (1) explaining deviations of actual use from the forecast; (2) highlighting the key drivers of future changes in typical customer use; and (3) meeting the schedule established by the Budget Department.	100%
Analysis of air conditioning and heating components of loads 2019-2022 (March 2023).	100%
Develop NEM tracking analysis simulating actual solar output to compare NEM and non-NEM customers.	100%
Prepare a summary report on 2023 accomplishments and expectations for 2024.	100%
Monthly weather normalization for residential and commercial/industrial sectors.	100%
Finalize the Load Forecasting, Research, and Analysis deliverables for 2024.	100%

Finance

Execute 2023 Plan of Finance

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Vinay Dayal
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Identify the sources and uses of funds to be employed in 2023 to meet LIPA's operating and capital expenditure needs and realize cost savings from refinancing existing LIPA and UDSA debt to moderate electric rates for customers.

YEAR END ACHIEVEMENTS

LIPA achieved \$115 million of debt service and coverage savings in 2023. LIPA bond Series 2023A, 2023B, Series 2023C, 2023D, and 2023E&F were issued. LIPA also performed a cash optimization, which allows LIPA to finance debt more efficiently. LIPA is working to obtain OSC approval of interest rate swap Master ISDAs to facilitate future transactions.

DELIVERABLES

<u>Annual Disclosure Report (ADR)</u>	
Review initial ADR updates due from SMEs.	100%
Provide Disclosure Training.	100%
LIPA Legal Review of ADR.	100%
LIPA CEO Review of ADR.	100%
Issue ADR	100%
Assign and train new LIPA compliance attorney on ADR process.	100%
<u>Establish 2023 Plan of Finance and Finance Team</u>	
UDSA Board approval of 2023 Bond Sale with March Board meeting.	100%
Review RFQ responses.	100%
Evaluate RFI for plan of finance. Determine expected plan of finance for LIPA and UDSA (depending upon market conditions). Review need for rate case in out-years of multi-year plan of finance with Budget and CEO.	100%
Select 2023 LIPA and UDSA finance team, including SDC credit and designation rules for each financing.	100%
<u>LIPA 2023 New Money Bond, Series 2015 FRN+ Refinance, and Series 2014 Refinance Note Sale</u>	
Submit LIPA Board resolutions for 2023 plan of finance to PACB for approval.	100%
Obtain 3-month extension of \$200 million Wells Fargo FRN+ due 6/29/2023 from Wells Fargo and OSC.	100%
Obtain OSC approval for DPs with Wells Fargo and Bank of America to refinance LIPA Series 2020C and 2021C taxable bonds.	100%
Close on Wells Fargo and Bank of America DP to refinance LIPA Series 2020C and 2021C taxable bonds.	100%
Close on remaining \$63 million DP (Wells) to refinance a portion of 2014C and 2015C bonds.	100%
Obtain PACB approval for LIPA 2023 Plan of Finance.	100%
Nixon Peabody, new Bond Counsel to review new and existing ISDAs.	100%
Review capacity for cash optimization as part of new money financing (i.e. cash funded capital that is tax-exempt eligible).	100%

Kickoff LIPA 2023 Bond Sale (tax analysis, savings/structure, deal timing).	100%
LIPA rating agency meetings.	100%
Submit for OSC approval interest rate swap Master ISDAs with each bank.	100%
Review whether to terminate UBS Swap.	100%
Revisit and update size of new money bond sale (net of UDSA storm hardening) and to reflect cash optimization.	100%
Obtain LIPA ratings and post POS and investor presentation.	100%
LIPA 2023 Bond Sale: new money; taxable note refunding of Series 2014 bonds (if hedged and needed); and refunding of \$200 million Wells Fargo FRN+ bonds Series 2015 due 6/29/2023.	100%
Close LIPA 2023 Bond Sale.	100%
Reassign UBS Swap assigned to FRN+ bonds Series 2015 to other bonds, if needed.	100%
Submit interest rate swap Master ISDAs for OSC approval.	100%
Evaluate whether to execute interest rate hedges of LIPA Series 2014A bonds and execute hedges, if warranted.	100%
Prepare 2024 Plan of Finance for Board approval at December 2023 Meeting.	100%
<u>LIPA Commercial Paper LOC Renewal</u>	
Issue RFP for expiring Bank of America LOC for Series 2015 GRN-3.	100%
Obtain BofA commitment and OSC approval for 3-month extension of Bank of America LOC for Series 2015 GRN-3.	100%
Complete BofA extension for LOC for Series 2015 GRN-3 expiring 5/5/2023. Extend to 9/30/2023.	100%
LIPA Board approval at 5/10 meeting of new LOC to replace expiring Bank of America LOC for Series 2015 GRN-3 expiring 5/5/2023.	100%
Obtain OSC approval for replacement of expiring Bank of America LOC for Series 2015 GRN-3 expiring 5/5/2023 (extended to 9/30/2023).	100%
Close on replacement of expiring Bank of America LOC for Series 2015 GRN-3 expiring 5/5/2023 (extended to 9/30/2023).	100%
<u>UDSA Bond Sale</u>	
Kickoff UDSA 2023 Bond Sale for a July pricing/August closing (tax analysis, savings/structure, deal timing, tender).	100%
Revisit and update size of UDSA new money bond sale for resiliency.	100%
Obtain project list and submit Kesterel Green Bond certification for UDSA bonds.	100%
Confirm UDSA structure for draft rating agency presentation, including LIPA cash optimization.	100%
UDSA rating agency meetings.	100%
Obtain UDSA ratings and post POS and investor presentation.	100%
UDSA 2023 Bond Sale -- Refinance Series 2013 Bonds callable 12/15/2023 and fund new money resiliency.	100%
<u>LIPA Series 2020C, 2021C, 2014C and 2015C Refinancings</u>	
Obtain AG & OSC approval for LOC and remarketing agreement with Barclays to replace Series 2014C and 2015C due 10/1/2023.	100%
Obtain bond rating for LOC with Barclays to replace Series 2014C and Series 2015C due 10/1/2023.	100%
Print POS for Series 2023D.	100%
Close on \$127 million VRDBs backed by Barclays LOC to refinance remaining 2014C and 2015C bonds due 10/1/2023.	100%

Finance

Execute an Energy Prepay Transaction

Board Policy: Customer Value, Affordability, & Rate Design; Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Vinay Dayal
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Execute authorized prepay transactions to reduce power supply costs.

YEAR END ACHIEVEMENTS

After months-long discussions and review, LIPA submitted the proposed prepay contracts for AG and OSC approval, which is pending. After extended discussions, NYISO agreed to modify its systems to allow Market Purchase Hub Transactions in 2024, facilitating prepay transactions in New York.

DELIVERABLES

NYISO Waiver -- Provide Van Ness analysis to NYISO of PJM tariff.	100%
NYISO Waiver -- Finalize strategy with NYISO for waiver or 205 tariff change.	100%
Submit draft contracts to OSC and finalize prepay structure.	100%
NYISO Tariff -- Advocate for including tariff amendment for prepay in NYISO 2024 Work Plan.	100%
Determine NYISO project prioritization with pre-pay teams.	100%
Identify assignment contract requirements.	100%
Pursue pre-pay contractual additions to allow BNL-style approach to counterparties transacting in NYISO.	100%

Finance

Identify and Apply for Federal Grants Under the Infrastructure Investment and Jobs Act (IIJA)

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Kenneth Kane
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Obtain grants under IIJA and IRA to enhance the LIPA transmission and distribution system and reduce customer costs.

YEAR END ACHIEVEMENTS

LIPA filed for a Department of Energy (DOE) grant of \$250 million to enhance the penetration of Distributed Energy Resources (DER) on congested circuits. LIPA was not awarded the grant in 2023. LIPA created a continuous monitoring grant process to ensure it optimizes all opportunities for available grants in the future. LIPA will work with PSEG Long Island to ensure alignment on submitting quality justification for projects eligible for a grant under these programs in 2024. LIPA submitted three Concept Papers under the DOE Grid Resilience and Innovation Partnerships (GRIP) program in mid-January 2024. If DOE approves, the full applications will be submitted in Q2 2024. The three applications seek total funding of approximately \$150 million.

DELIVERABLES

Submit Grid Resilience and Innovation Partnership (GRIP) grant concept paper for increasing hosting capacity on LIPA T&D system	100%
Kickoff meeting to develop the GRIP full application.	100%
SF-424 Application for Federal Assistance	100%
Project Performance Site Locations	100%
Technical Volume	100%
Resumes	100%
Letters of Commitment	100%
Community Partnerships Documentation	100%
Statement of Project Objectives	100%
Budget Justification Workbook	100%
Summary / Abstract for Public Release	100%
Environmental Questionnaire	100%
Disclosure of Lobbying Activities	100%
Foreign Entity Waiver Requests and Foreign Work Waiver Requests	100%
Buy America Requirements for Infrastructure Projects Waiver Requests	100%
Community Benefits Plan: Job Quality and Equity	100%
Potential Duplicative Funding Notice	100%
Locations of Work	100%
Project Description and Assurances Document PDAD	100%
Submit GRIP grant application for increasing hosting capacity	100%
Review opportunity to use RUS grants for native american tribes	100%
Identify 2-3 potential DOE GRIP projects for 2024 applications (e.g. Drones)	100%
Complete first draft of 2-3 technical elements of DOE GRIP applications	100%
Create Grant Steering Committee and Committee Charter. **Since the project objectives have been achieved, this activity will be tracked to completion in the LIPA Open Items Task Tracker	75%

Finance

Complete an Insurance Optimization Study

Board Policy: Enterprise Risk Management	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Vinay Dayal
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Complete insurance optimization study of property, casualty, and health care, including examining an owner-controlled insurance program.

YEAR END ACHIEVEMENTS

LIPA divided the insurance optimization study into three separate areas of focus: (1) enhancing the existing coverage, (2) evaluating the feasibility of an Owner Controlled Insurance Program (OCIP), and (3) evaluating the feasibility of stop-loss insurance. Different insurance advisors will handle each area of focus. LIPA completed the insurance optimization study covering property, casualty, and cyber insurance. Additional feasibility studies examining owner-controlled and stop-loss insurance will be conducted later since it is necessary to engage insurance advisors with expertise in those specific areas. LIPA has drafted and is seeking legislation to implement an owner-controlled insurance program in the 2024 legislative session.

DELIVERABLES

Develop scope of work for RFP to engage consultant to conduct the study	100%
Issue RFP	100%
Evaluate consultant proposals and complete vendor selection	100%
Complete draft report and recommendations	100%

Finance

Obtain FEMA Grant for Storm Resiliency

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: James Murphy
Status: Completed	Applicable PSEGLI Perf Metrics: BS-23 – FEMA Tropical Storm Isaias Grant – Engineering to Support Grant Application

DESCRIPTION

To secure a FEMA mitigation grant of \$300+ million to storm harden the LIPA transmission and distribution system.

YEAR END ACHIEVEMENTS

In December 2021, LIPA submitted a funding request seeking up to \$426 million of mitigation projects to FEMA. During 2023, LIPA submitted preliminary engineering on 166 overhead circuits associated with the request, completing the grant application requirements. The final FEMA review is expected to occur during Q1 2024.

In 2023, LIPA was awarded \$3.4 million from FEMA to mitigate certain transmission crossings but is modifying the award to seek additional locations and funds. LIPA was also awarded a \$5 million mitigation award from NY DHSES to replace sub-standard poles in disadvantaged communities in Suffolk County and awaits a similar award for Nassau County and the Rockaways.

DELIVERABLES

Ensure binder delivery is in line with agreed-upon binder delivery schedule for Q1	100%
Ensure binder delivery is in line with agreed-upon binder delivery schedule for Q2	100%
Deliver all binders (174) to FEMA for review	100%
Close out written responses to DHSES RFIs related to circuit binders.	100%

Finance

Enhance Rate Department Capabilities

Board Policy: Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: John Little
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Enhance staffing and capabilities within the rates function at LIPA to meet growing needs, support the consistent performance of strategic and policy-making activities by LIPA staff, and enable succession planning and knowledge transfer activities.

YEAR END ACHIEVEMENTS

LIPA completed an assessment of the Rates Department staffing and capabilities. Internal rate policies were updated to reflect responsibilities and staffing plans. Continuous efforts have been made to execute the Rates succession and knowledge transfer plan. LIPA hired a Director of Rates and pricing specialist in 2023 and has an ongoing effort to fill a Manager-level position. The staffing effort will continue into 2024 and will be tracked through normal business processes.

DELIVERABLES

Appoint a Director of Rates.	100%
Reach agreement with the Service Provider on the list of assignments and deliverables for 2023 by the end of Q1.	100%
Assess the need for additional staffing and capabilities.	100%
Complete Rate Consultants RFP and present to the Board for approval.	100%
Update internal rate policies (FIN-041, -044, -045) to reflect responsibilities and staffing plan.	100%
Develop rates succession and knowledge transfer plan.	100%
Add a member to the Rates team by the end of Q4	100%
Develop a 2024 Work Plan project to complete the staffing and data needs of the rates department.	100%

Finance

Storm Cost Management and Billing Process Review

Board Policy: Customer Value, Affordability, & Rate Design; Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Kenneth Kane
Status: Multi-Year	Applicable PSEGLI Perf Metrics: BS-22 – Timely, Accurate, and Supported Storm Event Invoicing

DESCRIPTION

Review end-to-end business processes at LIPA and PSEG Long Island related storm event cost management, review, and billing, and determine actionable recommendations to be incorporated into a Project Implementation Plan (PIP), the 2024 Work Plan, and Performance Metrics, as necessary, to enhance the efficiency, timeliness, and effectiveness of the storm cost management process. The scope will include: 1) assess organizational design dedicated to storm event cost management, review, and billing, 2) prioritize the actionable recommendations in a road map, and 3) assess the adequacy of the PIPs, 2024 Performance Metrics or Work Plan projects to address the recommendations ensuring a more robust and value-added cost review and related accounting processes.

YEAR END ACHIEVEMENTS

During 2023, an end-to-end business process review of LIPA and PSEG Long Island's storm cost management process was performed. A draft report with improvement recommendations has been completed, including recommendations on implementing technological improvements to a manual, paper-intensive process. PSEG Long Island will review the findings and recommendations and provide a Project Implementation Plan (PIP) to address improvement opportunities.

DELIVERABLES

Conduct interviews with key stakeholders at LIPA and PSEG LI to identify pain points and collect improvement ideas	100%
Develop summary of interviews to incorporate into project scope	100%
Develop scope and issue RFQ to engage a consultant to perform an end-to-end process review of LIPA and PSEG LI storm cost management	100%
Finalize vendor selection and sign purchase order	100%
Conduct project kick-off meeting with selected vendor	100%
Propose 2024 Performance Metrics to be included in LIPA's proposal to PSEGLI	100%
Complete fieldwork and analysis	100%
Complete a draft report of recommendations and develop a project roadmap	100%
Schedule monthly update meetings with vendor	100%

Finance

Enhance Substation Property Book Value Reporting

Board Policy: Customer Value, Affordability, & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Donna Mongiardo
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

To ensure accurate property records are maintained to foster appropriate values in the substation tax reporting.

YEAR END ACHIEVEMENTS

LIPA completed its review of the substation property records compared to actual sites to ensure that amounts are maintained in a materially appropriate format and that the amounts provided to taxing jurisdictions are accurate as property taxes are assessed on these values. LIPA completed its review and provided recommendations to PSEG Long Island for improvements. LIPA met with PSEG Long Island in December 2023 to document new processes in a policy document.

DELIVERABLES

Review report related to validation of 10 substations' physical inventory vs. property records.	100%
Finalize report related to validation of 10 substations physical inventory.	100%
Meet with operational and finance teams at PSEGLI to review findings and determine appropriate recommendations to ensure process issues are addressed.	100%
Approve a project implementation plan for any proposed recommendations or corrections required based on 10 substation review.	100%
Approve a PSEGLI policy amendment incorporating new recommended quarterly reconciliations into the already established reconciliation process.	100%

Office of The General Counsel

Create Property Tax Practice

Board Policy: Taxes and PILOTs	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Joseph Wiener
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Develop and implement a strategy that regularly reviews tax assessments and challenges over-assessments to ensure LIPA customers pay fair tax bills.

YEAR END ACHIEVEMENTS

In 2023, LIPA completed a strategy document to outline the processes for identifying over-assessed substations and filing property tax certiorari challenges in the 10 Suffolk towns, Nassau County, and New York City. Working with outside counsel, LIPA identified the over-assessed substations and, in March and June 2023, filed challenges on any substation that was identified as over-assessed. On the strength of our 2022 settlement of the Glenwood Landing and Barrett generating plant challenges and the ensuing settlement of 4 Nassau County substations, LIPA began engaging with Nassau County's Assessment Review Commission (ARC) and with the Nassau County Attorney's Office about a global settlement of our Nassau substation challenges. LIPA will continue to file challenges on any over-assessed substations based on those identified by PSEG Long Island's Property Tax Group pursuant to the policies and procedures that have been established.

DELIVERABLES

Finalize strategy document and present to CEO for approval.	100%
Analyze the PSEG Long Island Substation Valuation Report (SVR) of 120 substations and determine which are overassessed.	100%
Analyze 25 additional substations from the updated SVR (from PSEG's 2023 metric) and determine which are overassessed.	100%
Develop settlement strategy for settlements across the service territory based on the PSEGLI SVR.	100%
File tax challenges on overassessed substation in Nassau County.	100%
Annually refile challenges on all substations previously filed upon.	100%
Identify overassessed substations in Suffolk towns and identify substations with status of the 2% litigation.	100%
Initiate discussions on a settlement for Nassau County.	100%
File tax challenges on selected Suffolk town substations.	100%
Evaluate internal staffing levels, roles, and responsibilities for managing property tax practice and present findings to CEO.	100%
File a Notice of Issue on select cases to place Cases on the Court Calendar.	100%

Office of The General Counsel

Create Legal Knowledge Library

Board Policy: n/a	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Alex Pozdnyakov
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Develop an internal site to document legal issues encountered by LIPA since its inception that are unique to LIPA, require history and context to understand, and answers cannot be easily obtained through ordinary legal research.

YEAR END ACHIEVEMENTS

In 2023, the legal department developed a repository describing and explaining unique legal issues that LIPA has addressed since 1998. The repository aims to facilitate knowledge transfer to future generations of LIPA lawyers.

DELIVERABLES

Develop draft Table of Contents	100%
Solicit feedback from Executive Committee on Table of Contents	100%
Develop substantive content for first five items on the Table of Contents	100%
Work with IT to limit access to legal department for now to address privilege issues	100%

Office of The General Counsel

Create Legal Training Videos

Board Policy: n/a	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Lisa Zafonte
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Produce mini-training videos to educate staff on key provisions of the reformed OSA or highlight essential changes between the prior contract and the reformed one, including links to relevant provisions of the reformed contract for reference.

YEAR END ACHIEVEMENTS

In 2023, the Legal Department developed and distributed brief training videos on topics like budget development, limitations on liabilities, and the newly negotiated duty of candor to help familiarize LIPA staff with the key provisions of the Second Amended & Restated Operations Services Agreement that became effective on April 1, 2022. Familiarity with the contract provisions is critical to ensuring that LIPA's contractual rights are adequately exercised and protected.

DELIVERABLES

Conduct Vidyard software training	100%
Develop a training schedule to include topics and timing of training videos	100%
Implement first training video to staff	100%
Implement second training video to staff	100%
Release monthly training videos to staff	100%

Office of The General Counsel

Complete LIPA/LILCO Merger

Board Policy: n/a	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Alex Pozdnyakov
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Merge the subsidiary into the parent company, Long Island Lighting Company, to eliminate confusion, simplify disclosure, and reduce administrative work.

YEAR END ACHIEVEMENTS

During 2023, LIPA completed all the diligence and drafted all notices and other documents necessary to close on the LILCO merger. LIPA also achieved the bondholder consent necessary for the merger. In 2024, LIPA will deliver notices for the merger and make the necessary filings with the Department of State to consummate the merger.

DELIVERABLES

Finalize the timeline for closing and determine the date necessary consent will be certified by the trustee	100%
Resolve merger logistics issues with Department of State	100%
Resolve license amendment and notices issues with NRC	100%
Finalize drafts of merger documents	100%

Office of The General Counsel

Enhance LIPA Procurements

Board Policy: Staffing and Employment	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Maria Gomes
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Implement the first phase of the recommendations for improved procurement policies and procedures.

YEAR END ACHIEVEMENTS

Training and onboarding materials were developed to inform staff on the procurement process. A dashboard was developed to monitor the status of current consulting services contracts (including RFQs issued under each contract and the spending to date), alert subject matter experts to expiring contracts, and ensure ample time for issuing new RFPs and negotiating and awarding contracts. The team developed a marketing plan to improve awareness of future LIPA procurements to broaden the bidder pool and enhance competition. The team evaluated whether the use of technologies could be helpful to support the management and assessment of existing contractors but ultimately decided that it made more sense to generate our own evaluation tool in 2024. In 2024, procurement will be finalizing the development of a procedure manual outlining the procurement process and the execution of the vendor marketing plan, including incorporating vendor pre-marketing as a standard RFP/RFQ practice.

DELIVERABLES

Obtain Board approval of a revised LIPA Procurement Policy	100%
Post upcoming procurements to the LIPA website	100%
Conduct employee informational sessions on procurement processes	100%
Engage a consultant to train LIPA staff on how to write statements of work	100%
Contact GSA to explore eligibility to use GSA contracts, identify contract training opportunities, and incorporate GSA vendor pool into procurements	100%
Implement Bonfire pre-RFP intake management module	100%
Update existing procurement policy documents to align with Financial Policy	100%
Develop a SmartSheet dashboard to assist with managing the process and reporting to executive leadership	100%
Develop a procurement procedures manual	25%
Evaluate the SupplyHive module and determine if tool will be used to manage procurement process	100%
Develop an annual procurement plan	100%
Solicit recommendations from LPPC and AEIC members on vendors to support the needs identified in the annual procurement plan and develop a marketing plan to perform vendor outreach	10%

Office of The General Counsel

Review PSEG Long Island's Procurement Life Cycle

Board Policy: Customer Value, Affordability, & Rate Design; Strategic Planning and Performance Management	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Maria Gomes
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Ensure that PSEG Long Island uses prudent utility practices to effectively perform procurements and award contracts as an agent for LIPA, with adequate competition, commercially reasonable contract terms and conditions, and an effective process to monitor compliance with contract terms to confirm receipt of expected value from the contract.

YEAR END ACHIEVEMENTS

LIPA reviewed certain high-value legal contracts negotiated by PSEG Long Island as an agent for LIPA to ensure that terms and conditions were commercially reasonable and will provide feedback to PSEG Long Island's VP-Legal in Q1 2024. LIPA also retained a consultant to review procurement services currently performed by PSEG Long Island affiliates. That work is expected to be completed in Q1 2024. In Phase 2, the consultant will review PSEG Long Island's procurement policies, procedures, and practices to compare them with industry best practices and identify areas for improvement.

DELIVERABLES

Issue RFQ for consultant to review procurement policies, procedures, and outcomes, and staffing roles and responsibilities	100%
Identify 10 high-dollar-value contracts for legal review of key terms and conditions	100%
Select consultant based on RFQ results	100%
Consultant to complete fieldwork	100%
Finalize report summarizing results from contract terms review and make improvement recommendations	75%

Office of The General Counsel

Complete Compensation Benchmarking Study

Board Policy: Staffing and Employment	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Barbara Ann Dillon
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Complete a consultant-led benchmarking study to support LIPA's efforts to attract and keep quality talent by ensuring competitive compensation. Compensation benchmarking helps control labor costs and will highlight any pay inequities.

YEAR END ACHIEVEMENTS

In 2023, LIPA prepared and issued a Job Valuation and Compensation Benchmarking Request for Proposal (RFP). After a rigorous evaluation of the vendor proposals, a vendor was selected, and negotiations commenced to finalize contractual agreements. The contracts remain pending AG/OSC approval. In 2024, the HR function will complete the remaining scope of work. The vendor will review the current legacy job architecture (e.g., job levels, job families, etc.) to understand the organization and develop a summary report of outcomes, which may include career pathing recommendations. A market analysis will be conducted, salary structures will be created, and a review of the performance and retention incentives will be completed.

DELIVERABLES

Complete vendor list for Job Valuation and Compensation Benchmarking and market RFP	100%
Finalize RFP and submit for responses	100%
Conduct benchmarking for LIPA roles	100%
Finalize vendor selection	100%
Gain approval from LIPA Board of Trustees on vendor recommendations	100%
Secure contract approvals from OSC and AG to provide Job Valuation and Compensation Benchmarking consulting services. **Since the project objectives have been achieved, this activity will be tracked to completion in the LIPA Open Items Task Tracker	50%
Issue RFQ, if necessary, to approved vendors. **Since the project objectives have been achieved, this activity will be tracked to completion in the LIPA Open Items Task Tracker	0%

Office of The General Counsel

LIPA Job Description Review

Board Policy: Staffing and Employment	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Barbara Ann Dillon
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Ensure LIPA job descriptions capture the salient elements needed to effectively perform and support LIPA's purpose and vision, including leadership and technical components, and provide clear accountabilities for each role.

YEAR END ACHIEVEMENTS

In 2023, LIPA HR conducted a comprehensive review and revision of all job descriptions. The job description template was revised and now incorporates competencies specific to each job level (individual contributor, manager, director, etc.), identifies consistent skills and experience criteria for each job level, and includes essential job functions that were benchmarked against industry peers, including the knowledge and skills required for each role (technical/job specific to the profession). The revised skills and experience criteria specific to each role also help identify any skills gaps or development opportunities for incumbents to include in their annual professional development plan. In addition, each role was reviewed for FLSA accuracy and compliance. A thorough review of job descriptions, consistency in skill and experience criteria, and benchmarking against industry peers enhances organizational clarity, talent management, and competitiveness in the job market.

DELIVERABLES

Complete RFP process for HR consulting services	100%
AG/OSC Approval of HR consulting contracts	100%
Issue RFQ and finalize purchase order to engage consultant	100%
Consultant to review all LIPA descriptions and solicit employee and supervisor input and prepare recommendations including a new template to reflect position's Career track, Level, FLSA status, knowledge & skills required for the role (technical/job specific to the profession), and competencies by level, working environment.	100%
Draft descriptions reviewed by supervisors	100%
Draft descriptions reviewed by Directors level or above direct supervisors	100%
LIPA HR review all job descriptions and provide SVPs and Chiefs their job descriptions.	100%
Approve updated job descriptions and distribute to employees. **Since the project objectives have been achieved, this activity will be tracked to completion in the LIPA Open Items Task Tracker	0%

Office of The CEO

Execute New Service Provider Contract Beginning January 2026

Board Policy: n/a	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Werner Schweiger
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Prepare for the expiration of the PSEG Long Island on December 31, 2025 by executing new contracts, including bidding strategy, Request for Proposals (RFP), and contract execution.

YEAR END ACHIEVEMENTS

The project officially began in the Q32023, and a steering committee was formed to oversee its progress. The project team is working closely with subject matter experts from business units to develop and present recommendations and the legal department has begun outlining the legal framework for RFPs.

DELIVERABLES

Finalize Steering Committee	100%
Review scopes of service within OSA and define each function as one to re-bid or in-source to LIPA	100%
Review methods to protect ServCo employees if scopes of service are re-bid separately to multiple firms	100%
Finalize presentation on contract rebid strategy	75%
Create first draft of RFP and form of contract for rebid that reflects bidding strategy	25%

Office of The CEO

Implement Community College Partnerships for Workforce Development

Board Policy: Social and Environmental Justice	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Michael Deering
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Establish degree and/or certificate program(s) to develop utility knowledge to support LIPA's efforts to expand workforce opportunities and attract and retain quality, diverse talent. Launch the first year of the LIPA Scholarship and expand the scholarship program to cover the degree/certificate program.

YEAR END ACHIEVEMENTS

LIPA introduced Community College Scholarships to fund 50 scholarships for Nassau or Suffolk Community College students over the next five years. These scholarships aim to support students seeking education and training in careers related to the utility industry. In partnership with IBEW Local 1049 and PSEG Long Island, LIPA has expanded its efforts to develop and implement a Lineworker Certification Program. The program is designed to help students acquire the fundamental skills required to build and maintain LIPA's electric grid. The final draft of the curriculum and a preliminary classroom and hands-on training schedule have been created and are currently under review by all parties. Informational materials regarding the Lineworker Certificate Program have also been drafted. The program is expected to commence in Q12024.

DELIVERABLES

Propose internal recommendation on utility-relevant technology degree and certificate curricula and programs	100%
Obtain internal decision on degree and/or certificate programs to pursue with NCC, SCC, PSEG LI and IBEW Local 1049	100%
Present recommendation on degree and/or certificate programs to NCC, SCC, PSEG LI & IBEW Local 1049	100%
Finalize LIPA Scholarship brochure mailing to eligible schools/elected officials	100%
Eversource and Hunter College Briefing on the program	100%
Go/No-Go decision to proceed on degree and/or certificate programs from NCC &/or SCC, IBEW Local 1049, and PSEGLI	100%
Agreement from PSEG LI to dedicate staff to assist in development of Lineworker Certificate Program	100%
Identify 2024 Budget needs and proposed PSEGLI Performance Metrics for the NCC/SCC certificate program	100%
Finalize internal LIPA Scholarship policy to document application review process	75%

Office of The CEO

Intro to LIPA Curriculum for Elected Officials

Board Policy: Economic Development & Community Engagement; LIPA's Purpose and Vision	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Gaspare Tumminello
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Develop a standard curriculum for elected officials to ensure awareness of LIPA and the energy environment on Long Island and the Rockaways.

YEAR END ACHIEVEMENTS

A detailed curriculum framework was developed along with educational training materials for elected officials. Training sessions were conducted for the NYS Legislature, and additional meetings were held on LIPA's 2024 draft budget and Integrated Resource Plan (IRP). LIPA plans to continue its regular External Affairs work for 2024, which includes meetings with elected officials.

DELIVERABLES

Develop detailed curriculum framework for Educational Workshops.	100%
Finalize educational materials and logistical plan for the initial Q2 meeting.	100%
Complete briefing materials for certain members of the New York State Legislature.	100%
Complete briefing with key members of the NYS Legislature.	100%
Finalize an outreach plan and brief key elected officials on the LIPA IRP/ Budget update.	100%

Office of The CEO

PSEG Long Island External Affairs Capital Project Outreach Review

Board Policy: Construction of Transmission and Distribution Projects	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Gaspare Tumminello
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Evaluate PSEG Long Island's External Affairs efforts related to capital projects, determine outreach best practices, and recommend improvements, including changes to the PSEG Long Island External Affairs Handbook

YEAR END ACHIEVEMENTS

LIPA carried out various workstreams simultaneously to identify the best practices among peer utilities and develop useful tools to better understand the expectations of stakeholders in the LIPA Service Territory. These efforts resulted in obtaining different data points that exhibited the diverse techniques employed by other utilities. A working paper was created that summarized the best practices, and a constant contact survey was conducted to gather additional information from key stakeholders about their outreach expectations, such as the preferred methods and frequency. The results of these efforts and the best practices identified were compiled into a red-lined version of the PSEG Long Island External Affairs Handbook and submitted to PSEG Long Island for their consideration. LIPA staff will continue to work with the PSEG Long Island External Affairs team to incorporate the recommendations and drive continuous improvement in the Capital Project Outreach process.

DELIVERABLES

Develop and launch an in-house constant contact survey for elected officials. Segment survey by level of government, to gauge awareness of PSEG Long Island's External Affairs efforts related to capital projects.	100%
Develop and distribute a project outreach survey for LPPC members to gauge best-practices among other large public power organizations; ask for supporting materials around a project that went particularly well.	100%
Complete mailing of local elected official survey to supplement constant contact.	100%
Draft Wave 2 metric proposal based on surveys and best practice research.	100%
Analyze and produce a summary of results from the in-house constant contact survey responses.	100%
Compile a list of capital projects from other utilities, including outreach plans, public-facing materials, websites, etc. where outreach efforts have produced a positive result around a complex project. Produce a memo summarizing the information obtained including identified best-practices.	100%
Draft proposed revisions to PSEGLI External Affairs Handbook, and share with PSEGLI.	100%

Office of The CEO

Create the History of LIPA

Board Policy: Economic Development & Community Engagement; LIPA's Purpose and Vision	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Jen Hayen
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Create the collective history of Long Island's electric grid. Collect materials and develop a narrative of the Long Island electric grid's history to be available for communications.

YEAR END ACHIEVEMENTS

A consultant was hired to assist in historical research along with collecting and compiling materials and artifacts about the Long Island electric utility going back more than a century. A history timeline was also constructed to highlight key milestones in LIPA's 25-year history. In 2024, interviews will commence with key stakeholders, former employees, and current staff. While most of the collection process has been completed, research will continue.

DELIVERABLES

Conduct a research audit of other utility's history resources	100%
Research and identify additional resources are needed and issue RFP or Purchase Order, as appropriate	100%
Complete procurement process	100%

Office of The CEO

Update Jones Beach Exhibits

Board Policy: Economic Development and Community Engagement	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Gaspare Tumminello
Status: Multi-Year	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Update the Jones Beach Energy and Nature Center exhibits to create a more engaging environment and provide a roadmap to the renewable energy future of New York State.

YEAR END ACHIEVEMENTS

LIPA completed the design and released an RFP to select qualified vendors for the work. LIPA plans to present the contract to the Board for approval and expects construction work to begin in 2024.

DELIVERABLES

Deliver multimedia and design intent drawings	100%
Final sign-off on the pre-bid design package from LIPA and NYS Parks leadership	100%
Identify NYS Parks MOU modifications necessary to support LIPA's energy center objectives	100%
Finalize all bid documents	100%
Release Request for Proposal	100%
Release Request for Proposal Response and Follow-up	100%
Finalize Bid	100%

Office of The CEO

Update LIPA's Brand Strategy

Board Policy: Economic Development & Community Engagement; LIPA's Purpose and Vision	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Jen Hayen
Status: Carryover	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Create updated brand materials (logo, website, publications) that give clarity to LIPA's role on Long Island and the Rockaways.

YEAR END ACHIEVEMENTS

LIPA refreshed its logo, color story, and visual identity in 2023 and completed a redesign of company reports, PowerPoint templates, and stationery.

DELIVERABLES

Conduct designing session with a consultant on logo, colors, visual identity, and verbal expression	100%
Finalize new logo, colors, and visual identity for new LIPA logo	100%
Complete draft strategy, host a creative workshop, and draft our verbal expression (the development of a consistent voice and voice principles, writing tactics)	100%
Complete digital assets including power point, stationary, digital banners, assist with website redesign, signs, and more.	100%
Finalize strategy for consistency and alignment of all LIPA's communications.	95%
Finalize tangible documents relative to execution.	95%
Finalize user guidelines.	95%
Develop a style guide (PDF) to ensure consistency across all LIPA publications.	95%
Conduct internal workshops.	0%

Office of The CEO

Redesign LIPA Website

Board Policy: Economic Development & Community Engagement	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Bill Robins
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Create a new, modern, and easy-to-use website that drives engaging and informative content to customers and stakeholders.

YEAR END ACHIEVEMENTS

LIPA completed all stages of the website development process, including Discovery, Design, Development, and Testing. The launch of the new website is expected to take place in early 2024, and it's anticipated to greatly enhance the user experience and provide a more interactive and engaging platform for all users.

DELIVERABLES

Finalize wire frames and UX design	100%
Procure search engine optimization contractor	100%
Finalize visual design creation	100%
Draft and organize current website content	100%
Develop 2024 budget for Google Ad Word Search and SEO contractor optimization	100%
Finalize content and insert into website	100%
Finalize desktop and mobile websites	100%
Optimize website for search	100%
Complete technical testing and deliver website	100%
Complete review of Wikipedia, search results, and other web presence	100%

Office of The CEO

Enhance Internal Audit Methodologies and Performance

Board Policy: Audit Relationships; enterprise Risk Management	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Catherine Widmark
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Enhance the value proposition of the Internal Audit group and its functions by ensuring methodologies and standards are timely, practical, and applicable and improving the internal audit performance and quality through the development of industry knowledge for all LIPA Internal Audit staff. This will assist Internal Audit's ability to address emerging topics.

YEAR END ACHIEVEMENTS

LIPA implemented several improvements and enhancements to its internal audit process. To better align with the business needs, the Internal Audit team underwent restructuring. Methodologies and standards were analyzed and improved to ensure timely closure of the Management Action plans. All process enhancements were documented in the Audit Manual. Standard board presentations and audit reports were revised to enhance clarity and conciseness. The team also completed several utility industry-related training courses to improve performance and quality and strengthen their knowledge. In 2024, Internal Audit will commence phase two of its efforts. This includes developing quarterly risk assessments and implementing a rolling internal audit plan, among other improvements.

DELIVERABLES

Conduct performance of skills assessment using third-party internal audit skills diagnostic survey, work papers, and shadowing	100%
Attend quarterly training seminars and classes related to electric utilities	100%
Update Internal Audit documentation	100%

Office of The CEO

Implement Enterprise Risk Management Strategic Roadmap

Board Policy: Enterprise Risk Management	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Jessica Dehnert
Status: Completed	Applicable PSEGLI Perf Metrics: n/a

DESCRIPTION

Track objectives and deliverables for the Enterprise Risk Management (ERM) roadmap for 2023.

YEAR END ACHIEVEMENTS

The LIPA ERM Program underwent improvements through its 2023 workplan, which involved executing activities as outlined in the Strategic ERM Roadmap. The primary focus of these improvements was to integrate risk more effectively with other business processes, including metric development and internal audit. To measure the effectiveness of mitigation actions, a pilot was launched, which provided greater insight into which mitigation efforts were performing well and which needed improvement. In addition, more emphasis was placed on raising risk awareness among staff members by publishing an ERM article in a LIPA newsletter, delivering an all-staff presentation, and providing training for the F&A Committee. The Strategic ERM Roadmap is a three-year plan, and further improvements are planned for 2024 and 2025 to ensure the ERM Program implements best practices and provides increased value to the organization.

DELIVERABLES

Develop enterprise risk management process, timeline and template	100%
Review the PSEG LI risk mitigation effectiveness pilot information and recommend improvements	100%
Finalize formal process to utilize Internal Audit report recommendations in the risk assessment process and risk registers	100%
Incorporate risk article into quarterly LIPA newsletter to highlight ERM	100%
Conduct ERM training for members of the Board of Trustees	100%
Review the PSEG LI ERM Annual Report and provide recommendations for new KRIs	100%
Refine the list of emerging risks, improve the overall process, and present the updated list at the December ERM meeting	100%
Present ERM to LIPA staff	100%
Provide risk training to prepare for the 2024 ERM Risk Assessment Process	100%
Align strategic roadmaps with current LIPA and PSEG LI Risk Profiles and identify new risks related to the objectives and activities	100%



APPENDIX B: 2024 WORK PLANS

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T&D-WP24-050	Enhance PSEG Long Island Emergency Response Plan, Business Continuity Plans, and Functional Exercises

CUSTOMER EXPERIENCE

CC-WP24-020	Advance Customer Analytics
CC-WP24-021	Evaluate Customer Experience and Business Solution Structure Assess
CC-WP24-031	Call Center Improvement Plan & TOD Impacts
CC-WP24-049	Meter Inventory Management Redesign

POWER SUPPLY AND CLEAN ENERGY

PCE-WP24-012	Complete LIPA's Share of State Battery Storage Goal for 2025 and 2030
PCE-WP24-013	Plan for CRIS Rights and Power Supply Agreement Extension Beyond
PCE-WP24-014	2028 Develop Large Generator (>20MW) Interconnection Status Tracking System with NYISO and Transmission Owners
PCE-WP24-019	Develop an EV Infrastructure Tactical Implementation Strategy
PCE-WP24-026	Implement the Long Island Clean Energy Hub
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PCE-WP24-034	Plan for New Power Supply and Fuel Management Contract Beginning January 2026
PCE-WP24-036	Develop Commercial Community Storage Incentive Plan
PCE-WP24-046	Complete Integrated Resource Plan

OFFICE OF THE COO

COO-WP24-006	Conduct 2023 Appraisal of PSEG Long Island IT Organization CMMI Maturity Level
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OFFICE OF THE GENERAL COUNSEL

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OFFICE OF THE CEO

CEO-WP24-001	Create the History of LIPA
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CEO-WP24-047	Update LIPA's Brand Strategy

Transmission and Distribution

T&D-WP24-024: Implement Effective Use of the CUE Library

Board Policy: Customer Value, Affordability & Rate Design, Fiscal Sustainability	Board PIPs: WM PIPs (In Development)
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Peter Mladinich
Purpose: Operational Improvement	Type: New

DESCRIPTION

Implement improvements to the governance, structure, usage and accuracy of PSEG Long Island's Compatible Unit Estimating (CUE) Library through the development of and adherence to enhanced policies and practices.

OBJECTIVE

Through the development of a PIP and execution of stated PIP deliverables, demonstrate improved visibility and accuracy of unit costs, estimating, budgeting and cost tracking of T&D work efforts.

BUSINESS BENEFIT

The CUE is a building block for estimating scheduled work executed by the T&D department.

RISK IF WORKPLAN IS NOT EXECUTED

PSEG Long Island prepares budgets based on time and material to execute the work. If this work plan is not executed, the budget may be insufficient or overstated to perform the work.

T&D-WP24-029: Implement Physical Security Enhancements to LIPA's Facilities & Assets

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: Michael Quinn
Purpose: Operational Improvement	Type: New

DESCRIPTION

Enhance the physical security at LIPA's facilities through new technologies and practices.

OBJECTIVE

Develop and implement a physical security program, administrative and technical controls, and technologies based on industry best practices to enhance the utility's physical security posture. Further, implement new technology that improves compliance with regulatory agency requirements regarding the physical security of facility access for control centers, substations, and operation centers.

BUSINESS BENEFIT

To protect electrical assets in the field and provide resilient and reliable electricity to our customers.

RISK IF WORKPLAN IS NOT EXECUTED

Loss of electrical supplies and cost of restoration to our customers.

T&D-WP24-030: Develop a Climate Resiliency Plan

Board Policy: Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Billy Raley	LIPA Proj. Mgr: TJ Coates
Purpose: Reporting/Regulatory Requirement	Type: New

DESCRIPTION

Develop a Climate Resiliency Plan (CRP) that meets the resiliency objective of the Board's Policy on Transmission and Distribution Operations.

OBJECTIVE

The CRP should drive system and operational performance improvements to achieve at least a 15% improvement in customer minutes interrupted (CMI) within 5 years for a storm similar to Tropical Storm Isaias. LIPA will track actions and report back to the Board on progress. The CRP should include:

1. Policy, procedures, and system design criteria updates, as needed, to accommodate climate change impacts.
2. Asset-specific plans and resource needs to adapt to climate change, with projections of investments and CMI benefit by year.

Desired End State: LIPA Board adoption of the CRP.

BUSINESS BENEFIT

Extended clarity into resiliency planning to meet the Board's resiliency objective.

RISK IF WORKPLAN IS NOT EXECUTED

Inadequate resiliency planning and subject LIPA to criticism for not being in step with industry best practices for resiliency.

T&D-WP24-050: Enhance PSEG Long Island Emergency Response Plan, Business Continuity Plans, and Functional Exercises

Board Policy: Transmission & Distribution Operations, Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: braley@lipower.org	LIPA Proj. Mgr: Donald Schaaf
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Enhance PSEG Long Island Emergency Response Plan, Business Continuity Plans, and Functional Exercises.

OBJECTIVE

Make targeted improvements to PSEG Long Island's Emergency Response Plan, Emergency Response Implementation Procedures, Business Continuity Plans, and Functional Exercises to enhance emergency preparedness.

BUSINESS BENEFIT

Emergency Preparedness is key for the safe and timely response and restoration of the LIPA systems after and event. Developing and using a more streamlined set of response plans will generate tremendous improvements.

RISK IF WORKPLAN IS NOT EXECUTED

Slow and ineffective event response.

Customer Experience

CC-WP24-020: Advance Customer Analytics

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Bridget McFadden
Purpose: Operational Improvement	Type: New

DESCRIPTION

Advance LIPA's access to and understanding of operational and customer experience data to improve overall insight into PSEG Long Island's day-to-day operations and performance beyond OSA metrics.

OBJECTIVE

1. Develop recommendations on use of Call Center as a Service (CCaaS) analytics tools to enhance performance.
2. Define data and operational statistics for each core function (meter reading, field service, new business, billing, call center, payments, collection) for better insight into operations. Determine if can measure timely billing based on an actual read and define targets.
3. Build out LIPA analysis tool of customer transactional survey feedback. Use learnings to define future year customer improvements.
4. Build LIPA analysis tool of operational data.

BUSINESS BENEFIT

Gain better insight into PSEG Long Island's operational data and customer interactions using key performance indicators and data analysis to identify areas of improvement to achieve first quartile performance.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA may not be focusing on the areas that need attention because we are unaware of the issues. LIPA will lack visibility into problems and opportunities to benefit customers.

CC-WP24-021: Evaluate Customer Experience and Business Solution Staff Structure

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Sarah Mandli
Purpose: Operational Improvement	Type: New

DESCRIPTION

Review the Customer Experience and Business Solution organizational structures as measured against industry benchmarks to ensure the most effective use of staff and customer funds.

OBJECTIVE

1. Benchmark against structure, purpose and KPIs of other LPPC customer organizations with similar functions
2. Solicit PSEG Long Island to develop benchmarking
3. Document current state including gaps to benchmarking
4. Solicit PSEG Long Island to document future state of programs
5. Finalize Business Solution and Customer Experience design and organizational structures
6. Approve/release 2024 funds on hold

BUSINESS BENEFIT

To ensure that these two business areas are properly structured and have defined objectives and expected outcomes to improve the customer experience. Effectively use staff and customer funds.

RISK IF WORKPLAN IS NOT EXECUTED

Ineffective use of labor dollars to serve the customer.

CC-WP24-031: Assess Call Center Improvement Plan & TOD Impacts

Board Policy: Customer Experience	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Sarah Mandli
Purpose: Operational Improvement	Type: New

DESCRIPTION

Monitor and assess effectiveness of the Call Center Service Improvement Plan and impacts of the Time-of-Day rate program to continue improving the PSEG Long Island partnership, improve call center performance, and ensure appropriate staffing for TOD in 2025.

OBJECTIVE

1. Monitor Time-of-Day (TOD) impacts to Call Center in 2024. Define criteria to accurately project performance and budgetary needs for 2025 and to release 2024 funds on hold.
2. Determine which staffing model (in-sourced or third party) will be used to support customer contact surges related to the new TOD program.
3. Evaluate effectiveness of tiered agent training proposal from Get Well Plan.

BUSINESS BENEFIT

Continuing partnership with PSEG Long Island to improve call center performance and ensure appropriate staffing for TOD in 2025.

RISK IF WORKPLAN IS NOT EXECUTED

Inappropriate staffing for the TOD program results in poor customer service or excessive cost to customers.

CC-WP24-049: Meter Inventory Management Redesign

Board Policy: Customer Value, Affordability & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Sarah Mandli
Purpose: Operational Improvement	Type: 2023 Carryover

DESCRIPTION

Validate the PSEG Long Island inventory, capital labor and meter purchase plan based on forecasted meter work and meter lead time for 18 month schedule. Reestablish capital labor and meter purchase plan and inventory reorder points based on revised AMI workload. Plan should include the sale of excess meters based on optimal inventory levels and financially prudent decision.

OBJECTIVE

1. Determine the feasibility of selling excess meters back to L&G based on optimal inventory levels and financially prudent decision.
2. Validate the methodology and inputs used for determining reorder points and 18 month scheduled need.
3. Confirm capital labor and meter purchase plan and inventory reorder points are based on revised AMI workload.

BUSINESS BENEFIT

Effectively use customer funds.

RISK IF WORKPLAN IS NOT EXECUTED

Ineffective use of customer funds by holding surplus inventory.

Power Supply and Clean Energy

PCE-WP24-012: Complete LIPA's Share of State Battery Storage Goal for 2025 and 2030

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
Purpose: Meet Clean Energy Objectives	Type: Multi-Year Project

DESCRIPTION

Meet LIPA's Share of State Battery Storage Goal for 2025 and 2030 which is important for meeting the NYS climate law for a decarbonized electric grid by 2040.

OBJECTIVE

Complete the procurement and permitting of LIPA's battery storage RFP to meet 2025 storage goals and a NYSEDA procurement option for the 2030 storage goal.

BUSINESS BENEFIT

The NYS climate law requires LIPA to completely decarbonize the electric grid by 2040. A critical component of compliance will be the successful integration of offshore wind and storage. This RFP is the first step to realizing that goal.

RISK IF WORKPLAN IS NOT EXECUTED

Non-compliance with NYS storage and decarbonization goals.

PCE-WP24-013: Plan for CRIS Rights and Power Supply Agreement Extension Beyond 2028

Board Policy: Clean Energy and Power Supply, Customer Value, Affordability & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
Purpose: Contract/Metric Requirement	Type: Multi-Year Project

DESCRIPTION

Execute a strategy to maximize the value of CRIS rights at legacy generation sites, including negotiations with National Grid. Develop the form of contract and desired terms for PSA extension negotiation with National Grid.

OBJECTIVE

Develop and execute strategy to maximize the value of CRIS rights, including negotiations with National Grid. Identify desired changes in terms and rate formula. Prepare for PSA negotiations with National Grid.

BUSINESS BENEFIT

CRIS Rights have the potential to generate tens of millions of dollars in value for LIPA customers. Furthermore, negotiating an extension to the PSA is critical for LIPA in that over half of our power supply comes from National Grid.

RISK IF WORKPLAN IS NOT EXECUTED

Loss of potential value to LIPA customers.

PCE-WP24-014: Develop Large Generator (>20MW) Interconnection Status Tracking System with NYISO and Transmission Owners

Board Policy: Clean Energy and Power Supply, Transmission & Distribution Operations	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: David Clarke
Purpose: Meet Clean Energy Objectives	Type: Multi-Year Project

DESCRIPTION

Develop status tracking system for large generator (>20MW) interconnection requests to provide greater internal visibility. Review and implement business process improvements

OBJECTIVE

Enable LIPA and PSEG Long Island management visibility into status of interconnection requests within the NYISO queue, including actions pending by relevant parties (developer, PSEG LI, NYISO). Review and implement business process improvements.

BUSINESS BENEFIT

Will provide LIPA and PSEG Long Island management visibility into the status of interconnection requests both within NYISO and PSEGLI purview. Will illustrate at a glance where aggregate requests are in the process, allowing process insight and assessment of performance.

RISK IF WORKPLAN IS NOT EXECUTED

Lack of transparency into efficiency of interconnection process. Potential fines for interconnection delays.

PCE-WP24-019: Develop an EV Infrastructure Tactical Implementation Strategy

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Pervez Khaled
Purpose: Meet Clean Energy Objectives	Type: New

DESCRIPTION

Develop a tactical plan for EV infrastructure guided by the 5-year clean energy roadmap and EV 2024 metric PS&CE-14 to forecast and plan the system.

OBJECTIVE

1. Translate EV (LDV, MDV, HDV) roadmap to blend into forecasting and system planning processes in terms of:
 - a. sales and peak demand forecasting
 - b. system planning (geospatial and temporal)
 - c. associated investments
2. Develop the strategy and roadmap for managed charging

Assumption: 2024 EV metric PS&CE-14 is supposed to develop the market and stakeholder segmentation and identification of potential locations for EVs.

BUSINESS BENEFIT

Proactively identify the long-term impact of EVs on LIPA infrastructure so that we can plan accordingly to enable CLCPA goals.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA may be unable to meet future EV demand due to the long lead time for utility infrastructure build-out to support the required EV charging infrastructure; hence, utility infrastructure lead time may become a barrier to EV adoption in our service territory.

PCE-WP24-026: Implement the Long Island Clean Energy Hub

Board Policy: Clean Energy and Power Supply, Economic Development & Community Engagement	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Michael Deering
Purpose: Meet Clean Energy Objectives	Type: Multi-Year Project

DESCRIPTION

Implement the Long Island Clean Energy Hub

OBJECTIVE

Define LIPA's vision and objectives for the LI Clean Energy Hub and coordinate implementation of the Clean Energy Hub with NYSERDA, PSEG Long Island and regional partners.

- 1) Establish LIPA's point of contact for the Energy Hub and the milestone payment schedule.
- 2) Analyze Energy Hub KPIs and deliverables to execute milestone payments.
- 3) Assess the effectiveness of PSEG Long Island and the Energy Hub in driving 40% disadvantaged communities' target (35% minimum).

BUSINESS BENEFIT

The Hub will serve as a clearinghouse of outreach, awareness, and education to help foster residents' participation, especially those in underserved or otherwise disadvantaged communities, in New York's clean energy transition and help advance an equitable clean energy transition for all New Yorkers.

RISK IF WORKPLAN IS NOT EXECUTED

Potential for inconsistent or incorrect information being provided to those contacted by staff of the Long Island Clean Energy Hub about LIPA's programs, policies, and activities. This may result in customer confusion and impact customer satisfaction.

PCE-WP24-033: Meet new Clean Energy Reporting Objectives

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Louisa Chan
Purpose: Meet Clean Energy Objectives	Type: New

DESCRIPTION

Create a clean energy dashboard to monitor program progress towards clean energy goals, inform the IV&V processes, and support the annual Disadvantaged Communities (DAC) reporting process.

OBJECTIVE

- 1) Develop LIPA dashboard to improve monitoring of the trends and results for PSEGLI beneficial electrification goals for heat pumps and explore feasibility of the integration of EV reporting into dashboard.
- 2) Establish the IVV process of quantitative metrics using the new dashboard to confirm the PSEGLI scorecard reporting for performance metrics and the NYSEDA clean energy dashboard submissions for accuracy.
- 3) Validate the accuracy of the annual reporting of DAC results to NYSEDA.

BUSINESS BENEFIT

The LIPA dashboard facilitates oversight and visibility for PSEG Long Island reported energy savings and installed heat pumps that are needed to comply with state goals for beneficial electrification and carbon reduction. The dashboard will allow LIPA to proactively monitor the budget because we will have visibility into the project pipeline and anticipated program spend related to project volume. Potential expanded functionality to include EV and DAC reporting will also help LIPA provide QA/QC on disadvantaged community spending required to comply with the CLCPA.

RISK IF WORKPLAN IS NOT EXECUTED

If the dashboard is not completed, LIPA will be unable to adequately monitor spending on heat pumps, energy efficiency reporting of savings or application volume DAC spending. This can translate into inaccurate reporting and potentially non-compliance with CLCPA, beneficial electrification goals, and NENY.

PCE-WP24-034: Plan for New Power Supply and Fuel Management Contract Beginning January 2026

Board Policy: Clean Energy and Power Supply, Power Supply Hedging Program	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Ophelia Byrne
Purpose: Contract/Metric Requirement	Type: New

DESCRIPTION

Prepare for the Power Supply and Fuel Management Contract expiration on 12/31/2025 by executing a New Power Supply and Fuel Management Contract.

OBJECTIVE

Issue RFP to retain a Power Supply and Fuel Management service provider for the Front, Middle and Back Office functions to:

- 1) Manage LIPA's wholesale power supply requirements in the NYISO, PJM and ISO-NE markets, including purchase and sale of energy, capacity, and ancillary services to serve our approximately 1.2 million customers.
- 2) Manage the fuel supply necessary for the oil and gas fueled generating facilities under contract to LIPA and handle day-to-day purchases and sales.
- 3) Manage LIPA's hedging program to mitigate volatility in power and fuel costs.

BUSINESS BENEFIT

The PSEG Long Island contract will expire December 2025 so LIPA must enter into a new contract.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA is unable to provide Front, Middle and Back office functions for the power supply and fuel management services to support our customers load. Fulfill the fuel supply obligations for LIPA's Genco and PPA Generating facilities.

PCE-WP24-036: Develop Commercial Community Storage Incentive Plan

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
Purpose: Meet Clean Energy Objectives	Type: New

DESCRIPTION

Develop a Commercial "Community Storage" program to meet LIPA's retail storage objectives in preparation for a 2025 rollout to meet the goals of New York's storage roadmap.

OBJECTIVE

Develop a Commercial "Community Storage" program. The main objectives for 2024 are to 1) develop a draft written plan, 2) brief and obtain feedback from NYSERDA, DPS and PSEG Long Island, and 3) finalize the written plan and prepare for a 2025 rollout.

BUSINESS BENEFIT

Under the NYS Storage Roadmap, LIPA is expected to fully participate in helping the state reach its goals. This includes developing a "Retail Storage" program. This program, once in the execution phase, will help commercial customers save money while supporting storage goals and assisting LIPA in building out more "front-of-meter" BESS.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA may not meet its share of the state's Storage Roadmap objectives.

PCE-WP24-046: Complete Integrated Resource Plan

Board Policy: Clean Energy and Power Supply	Board PIPs: n/a
LIPA Exec. Sponsor: Gary Stephenson	LIPA Proj. Mgr: Tom Simpson
Purpose: Meet Clean Energy Objectives	Type: 2023 Carryover

DESCRIPTION

Roll-Out 2023 Integrated Resource Plan (IRP) and Obtain Board Approval as well as completing stakeholder engagement.

OBJECTIVE

Complete Integrated Resource Plan and obtain Board approval.

BUSINESS BENEFIT

Completing stakeholder engagement and obtaining Board of Trustees approval are the final steps toward the finalizing the IRP.

RISK IF WORKPLAN IS NOT EXECUTED

Failure to launch the IRP.

Office of the COO

COO-WP24-006: Conduct 2023 Appraisal of PSEG Long Island IT Organization CMMI Maturity Level

Board Policy: Information Technology and Cyber Security	Board PIPs: 7.04: IT Organizational Maturity
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Randy Rinon
Purpose: Contract/Metric Requirement	Type: 2023 Carryover

DESCRIPTION

Appraisal of PSEG Long Island IT Department CMMI Maturity Level by a LIPA consultant, as required by the 2023 IT Organizational Maturity metric, to improve PSEG Long Island's capability to implement IT projects efficiently and effectively, guided by industry standard assessment models.

OBJECTIVE

2022: IV&V of 2022 PSEGLI IT Organizational Maturity Level Metrics IT-1: Doing and IT-2 Managing, including Product Integration, Technical Solution, Peer Reviews, Process Quality Assurance, Requirement Development and Maintenance, Verification and Validation and Supplier Agreement Management, Risk Management, Organizational Training, Estimating, Monitor and Control, and Planning.

2023: Appraisal of PSEG LI IT Department CMMI Maturity Level by a LIPA consultant, in preparation for a CMMI Benchmark Appraisal to be conducted by a LIPA-selected consultant in 2024 Q2. The 2022 IT Organizational Metrics required reaching CMMI Maturity Level 3 in the Doing and Managing categories. The 2023 IT Organizational Metric covers the two additional categories, Enabling and Improving, as well as any remaining gaps to achieve Level 3 in the Doing and Managing categories.

BUSINESS BENEFIT

Tropical Storm Isaias exposed critical deficiencies in PSEG Long Island's implementation and management of information technology systems. The 5-Year Roadmap includes several large and complex IT projects that carry strategic and technical design risks. The Organizational Maturity initiative will advance PSEG Long Island's capability to implement IT projects on time, on budget, of sufficient quality, and aligned with objectives, guided by industry standard assessment models.

RISK IF WORKPLAN IS NOT EXECUTED

IT projects will continue to be hampered by avoidable delays, cost over-runs, and lack of alignment with objectives and requirements. Systems will continue to be at higher risk of flaws that result in negative customer impacts or failure to deliver the expected benefits.

COO-WP24-009: Develop the Framework for Independent Verification and Validation (IV&V) and Performance Management

Board Policy: Strategic Planning and Performance Management	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Jessica Bretana
Purpose: Operational Improvement	Type: 2023 Carryover

DESCRIPTION

Establish an Independent Verification and Validation (IV&V) Framework, including standards for Service Provider deliverables and overall performance management within the organization.

OBJECTIVE

Effectively employ performance management mechanisms and standards for deliverables and performance metrics.

BUSINESS BENEFIT

Standardizing the processes and practices related to performance management oversight and IV&V will ensure process efficiencies, improve quality, reduce defects, and reduce the time needed to oversee PSEG LI's performance effectively.

RISK IF WORKPLAN IS NOT EXECUTED

Continue to manage the IV&V and performance management oversight without formal IV&V policies.

COO-WP24-010: Develop Strategic Roadmaps

Board Policy: Strategic Planning and Performance Management	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Pervez Khaled
Purpose: Contract/Metric Requirement	Type: Multi-Year Project

DESCRIPTION

Development of 5-Year Strategic Roadmaps to advance Board Policies for Power Supply, Clean Energy Programs, and Business Services.

OBJECTIVE

Develop 5-year Strategic Roadmaps that advance the Board Policies for Power Supply, Clean Energy Programs, and Business Services (human resources, procurement, external affairs and communications, and legal).

BUSINESS BENEFIT

Develop a pathway towards achieving LIPA's strategic goals through projects and programs identified in the roadmap.

RISK IF WORKPLAN IS NOT EXECUTED

Limit our ability to identify, prioritize, and effectively sequence our projects and programs to meet our strategic goals.

COO-WP24-015: Conduct Assessment of PSEG Long Island Business Continuity and Disaster Recovery Program

Board Policy: Transmission & Distribution Operations, Information Technology and Cyber Security	Board PIPs:
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
Purpose: Contract/Metric Requirement	Type: Multi-Year

DESCRIPTION

Assessment by LIPA consultant of PSEG Long Island Business Continuity and Disaster Recovery Program.

OBJECTIVE

Assessment of PSEG Long Island resiliency program by a LIPA-engaged consultant, per PSEG Long Island Performance Metrics IT-03 and IT-10, to assess gaps and provide recommendations, a roadmap, and 2024 Business Continuity and Disaster Recovery Action Plans.

BUSINESS BENEFIT

Make progress towards the objective of ensuring that PSEG Long Island can continue to perform its essential functions and deliver core capabilities during and following disruptions to normal operations, including the unplanned partial or complete loss of one or more critical systems and/or infrastructure.

RISK IF WORKPLAN IS NOT EXECUTED

PSEG Long Island's ability to deliver services during and following disruptions (planned and unplanned) may be hampered.

COO-WP24-025: Conduct 2024 Review of PSEG Long Island Cyber Security

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
Purpose: Contract/Metric Requirement	Type: New

DESCRIPTION

Conduct review of PSEG Long Island's Cyber Security for 2024 to ensure compliance with the cyber security default performance metric.

OBJECTIVE

LIPA has established a cybersecurity default metric for PSEG Long Island under the reformed PSEG Long Island contract, effective April 1, 2022, to achieve and maintain a specific NIST CSF level. LIPA has hired a third-party evaluator for an independent review of PSEG Long Island's cyber readiness relative to the metric.

BUSINESS BENEFIT

This assessment is to determine if PSEG Long Island has complied with the cyber security default performance metric, thereby reducing the risk of a cyber security event.

RISK IF WORKPLAN IS NOT EXECUTED

PSEG Long Island may have a greater risk of experiencing a cyber security incident.

COO-WP24-032: Conduct 2024 Benchmark Appraisal of PSEG Long Island IT Organization CMMI Maturity Level

Board Policy: Information Technology and Cyber Security	Board PIPs: 7.04 IT Organizational Maturity
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Randy Rinon
Purpose: Contract/Metric Requirement	Type: New

DESCRIPTION

Benchmark Appraisal of PSEG Long Island IT Organization CMMI Maturity Level by a LIPA consultant, as required by the 2024 IT Organizational Maturity metric, to improve PSEG Long Island's capability to implement IT projects efficiently and effectively, guided by industry standard assessment models.

OBJECTIVE

CMMI Benchmark Appraisal (Development View) of PSEG Long Island IT Organization CMMI Maturity Level by a LIPA independent consultant per PSEG Long Island Performance Metric IT-01. The IT Organizational Metric requires reaching CMMI Maturity Level 3 (Development View) in 2023, with a Benchmark Appraisal to be conducted in 2024 Q2.

BUSINESS BENEFIT

Tropical Storm Isaias exposed critical deficiencies in PSEG Long Island's implementation and management of information technology systems. The 5-Year Roadmap includes several large and complex IT projects that carry strategic and technical design risks. The Organizational Maturity initiative will advance PSEG Long Island's capability to implement IT projects on time, on budget, of sufficient quality, and aligned with objectives, guided by industry standard assessment models.

RISK IF WORKPLAN IS NOT EXECUTED

IT projects will continue to be hampered by avoidable delays, cost over-runs, and lack of alignment with objectives and requirements. Systems will continue to be at higher risk of flaws that result in negative customer impacts or failure to deliver the expected benefits.

COO-WP24-035: Conduct Assessment of PSEG Long Island Ransomware Readiness and Response

Board Policy: Information Technology and Cyber Security	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Moin Shaikh
Purpose: Contract/Metric Requirement	Type: New

DESCRIPTION

Current-state assessment by an independent LIPA consultant of PSEG Long Island's Ransomware Readiness and Response to ensure recovery from an incident.

OBJECTIVE

Conduct a current-state assessment by an independent LIPA consultant of PSEG Long Island's Ransomware Readiness and Response preparedness 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 evaluation is required by PSEG Long Island performance metric IT-09.

BUSINESS BENEFIT

Ensure that PSEG Long Island is positioned to effectively respond to and recover from a Ransomware incident.

RISK IF WORKPLAN IS NOT EXECUTED

PSEG Long Island could have higher risk of significant negative impacts in the event of a Ransomware incident.

COO-WP24-048: LIPA Crisis Management Plan Program Improvements

Board Policy: N/A	Board PIPs: n/a
LIPA Exec. Sponsor: Mujib Lodhi	LIPA Proj. Mgr: Jonathan Reeves
Purpose: Operational Improvement	Type: 2023 Carryover

DESCRIPTION

Enhance LIPA's readiness to execute its Crisis Management Plan.

OBJECTIVE

Complete the deployment of technology to facilitate the War Rooms (Uniondale/Hicksville) operation. Conduct crisis management training.

Conduct tabletop exercises for crisis management.

BUSINESS BENEFIT

Enhance LIPA's readiness in the event of a crisis.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA is less prepared in an emergency.

Finance

FIN-WP24-018: Integrate Procurement Process and Accounting for Subscription Based Information Technology Arrangements (SBITAs)

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Richard Tinelli
Purpose: Reporting/Regulatory Requirement	Type: New

DESCRIPTION

Create a process with PSEG Long Island accounting and procurement teams for tracking and creating an inventory of SBITAs to ensure accordance with the newly effective Governmental Accounting Standard (GASB) No. 96.

OBJECTIVE

Ensure Subscription Based IT Arrangements (SBITA) contracts are tracked, inventoried, and reviewed for proper accounting treatment.

BUSINESS BENEFIT

LIPA is required to implement the GASB No. 96.

RISK IF WORKPLAN IS NOT EXECUTED

If not properly implemented can lead to improper accounting in the financial records and a potential audit finding.

FIN-WP24-022: Enhance Development and Monitoring of Operating and Capital Budgets

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Gerard Ring
Purpose: Contract/Metric Requirement	Type: New

DESCRIPTION

Continue to improve the development and monitoring of the Operating and Capital Budgets to improve optimization of limited resources and ensure rates are set at the lowest possible level required to maintain the system.

OBJECTIVE

Craft and implement additional improvements to the development and monitoring of the Operating and Capital Budgets for PSEG Long Island and LIPA, including analysis of underlying workload and resource requirements in conjunction with PSEG Long Island. This project builds on prior recommendations and improvements to the budget process as well as seeks to leverage the new budget system (EPBCS).

1. Lessons Learned (Supports PSEG Long Island Performance Metric BS-35)
 - a. With PSEG Long Island conduct a review of the 2024 budget development process and identify "Lessons Learned."
 - b. Develop specific action items for LIPA and PSEG Long Island to implement to improve the budget process.
2. Capital Project & Budget (Supports PSEG Long Island Performance Metric BS-41)
 - a. Conduct a workshop between LIPA and PSEG Long Island to explore with IT transferring the capital budget administration into EPBCS (or other readily available IT platform) for use by PSEG Long Island's URB process and to support LIPA's Capital Project and Budget approval processes utilizing the PJDs. Develop a Work Plan proposal if an IT solution is selected for the capital budget administration.
3. EPBCS (Supports PSEG Long Island Performance Metric BS-40)
 - a. Populate EPBCS with the 2024 Budget detail for the 8-year Plan and utilize for Budget, Forecasting and Variance Reporting.
 - b. For the 2025 Budget development, utilize EPBCS in place of any parallel legacy systems for Budget planning.
 - c. Propose improvements to EPBCS utilization and review, monitor, and advise on PSEG Long Island utilization of EPBCS.

BUSINESS BENEFIT

Builds on the budget improvement progress to date and complements PSEG Long Island performance metrics. Identifies improvement opportunities, strengthens the Capital Budget process by creating a more automated process with less manual intervention and aims to ensure the new EPBCS budget system is fully embraced and utilized by all stakeholders.

RISK IF WORKPLAN IS NOT EXECUTED

Suboptimal allocation of financial resources and setting the budget - and rates - at the wrong levels. This could result in an under-investment in the electric system or higher rates than necessary.

FIN-WP24-037: Conduct a Cost of Service Study

Board Policy: Customer Value, Affordability & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: William Wai
Purpose: Operational Improvement	Type: New

DESCRIPTION

Update the cost of service (COS) study to ensure an accurate basis supporting LIPA's rate design and pricing practices.

OBJECTIVE

Understand the costs to serve our customers and to provide the basis for rate strategy development and innovative rate design.

- aims to fairly allocate the utility's costs of providing service to each rate class, based on the principles of cost-causation
- provides insight into each rate class contribution to total system cost
- shows the alignment between cost structure and rate recovery structure

BUSINESS BENEFIT

The COS study provides the basis and support for LIPA's rate design and pricing practices. Utilities commonly use a COS study to benchmark and compare the fairness of cost recovery among customer classes. LIPA's board policy envisions the Authority's rates are equitably allocated costs across and within customer classes.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA's rates design may miss the Board's goal of being equitably allocated across the customer classes due to reliance on the outdated 2019 COS study.

FIN-WP24-038: Complete Rate Design and Tariff Filing for Offshore Wind (PPTN)

Board Policy: Customer Value, Affordability & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: William Wai
Purpose: Reporting/Regulatory Requirement	Type: New

DESCRIPTION

To realize fair cost recovery for capital invested, prepare and file the rate design and FERC Tariff Filing for the Offshore Wind Public Policy Transmission Needs (PPTN) project.

OBJECTIVE

Obtain FERC tariff approval for the Offshore Wind PPTN project to ensure the fair cost to LIPA's customers.

BUSINESS BENEFIT

Realize fair cost recovery for capital invested in the Offshore Wind PPTN project on behalf of LIPA's customers.

RISK IF WORKPLAN IS NOT EXECUTED

Risk of not being able to recover the otherwise recoverable costs attributable to the Offshore Wind PPTN project resulting in excess cost to LIPA customers.

FIN-WP24-039: Execute Commercial Rate Design for 2024

Board Policy: Customer Value, Affordability & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: William Wai
Purpose: Operational Improvement	Type: New

DESCRIPTION

Execute LIPA's commercial rate design strategy for 2024.

OBJECTIVE

Execute 2024 deliverables of the commercial rate design strategy developed in 2023 - move commercial customers who take service under the legacy TOU - Large General and Industrial Service With Multiple Rate Periods (Rate code 284, 285, 284M and 285M) to a modern TOU - Large Demand Metered Service with Multiple Rate Periods (Rate Code 294).

BUSINESS BENEFIT

Aligns LIPA's commercial rate design with industry practice, enhance grid utilization, reduce peak demand, and allow customers to reduce their energy bills.

RISK IF WORKPLAN IS NOT EXECUTED

Keep customers in the legacy TOU rates.

FIN-WP24-040: Develop Data Infrastructure for Rates Department

Board Policy: Customer Value, Affordability & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: William Wai
Purpose: Meet Clean Energy Objectives	Type: New

DESCRIPTION

Build the data infrastructure necessary to support a more sophisticated rate analysis and design using AMI data to improve LIPA's ability to develop innovative rate products.

OBJECTIVE

Build the data infrastructure for the rates function to (1) better understand LIPA's customers (2) develop innovative product offerings to meet the growing needs of the clean energy standard (3) serve the continuous information needs of the rates department, and (4) facilitate the department's succession planning and knowledge transfer activities.

BUSINESS BENEFIT

Provide LIPA with customer analysis, cost of service, customer program diagnostics, and improved capability to develop innovative rate products.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA will delay or defer the modernization of its rate designs and offerings due to level of available data and tools.

FIN-WP24-041: Storm Cost Management and Billing Process Review

Board Policy: Customer Value, Affordability & Rate Design, Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Kenneth Kane
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Conduct an end-to-end review of LIPA and PSEG Long Island's business processes for storm cost management and billing for Storm Events, as defined in Appendix 5.3B of the 2nd A&R OSA. This includes division of responsibilities between LIPA and PSEG Long Island; policies and practices; staffing, responsibilities, and capabilities; and Information Technology (IT) utilized in cost management, review, and billing before during and after a storm.

OBJECTIVE

The project is an end-to-end review of business processes at LIPA and PSEG Long Island related storm event cost management, review, and billing leading to actionable recommendations to be incorporated into a Project Implementation Plan (PIP), the 2024 Work Plan and Performance Metrics, as necessary, to enhance the efficiency, timeliness, and effectiveness of the storm cost management process. The project will include:

1. Assessing organizational design dedicated to storm event cost management, review, and billing. Organizational review includes division of responsibilities among LIPA and PSEG Long Island, staffing, responsibilities, capabilities, policies, practices, and IT;
2. Prioritization of the actionable recommendations in a road map;
3. Assessing the adequacy of the PIPs, 2024 Performance Metrics or Work Plan projects to address the recommendations ensuring a more robust and value-added cost review and related accounting processes.

BUSINESS BENEFIT

Provide efficiencies to the storm billing and informational process to improve analytic opportunities and decrease workforce resource dedication of time.

RISK IF WORKPLAN IS NOT EXECUTED

Lost opportunities to improve cost, quality, and efficiencies.

FIN-WP24-042: Execute an Energy Prepay Transaction

Board Policy: Fiscal Sustainability, Customer Value & Affordability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Vinay Dayal
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Execute an Energy Prepay Transaction to reduce power supply costs using tax exempt debt.

OBJECTIVE

Execution of authorized prepay transactions to reduce power supply costs.

BUSINESS BENEFIT

Reduced power supply costs for customers.

RISK IF WORKPLAN IS NOT EXECUTED

Lost opportunities to reduce costs using LIPA's tax exemption.

FIN-WP24-043: Complete Affiliate Services Remediation Plans

Board Policy: Fiscal Sustainability	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Gerard Ring
Purpose: Contract/Metric Requirement	Type: 2023 Carryover

DESCRIPTION

Review processes and services that PSEG Long Island obtains through affiliates.

OBJECTIVE

The project will develop a blueprint for cost accounting/cost management structure, people, systems, and practices by assessing functions provided by PSEG affiliates and explore sourcing alternatives (Payroll & Accounts Payable, Treasury, Procurement, Enterprise Risk Management, Miscellaneous Accounting Services, and Legal).

BUSINESS BENEFIT

Potential cost savings or quality improvements.

RISK IF WORKPLAN IS NOT EXECUTED

Higher cost or lower quality service for the services LIPA purchases from PSEG affiliated companies.

FIN-WP24-044: Complete an Insurance Optimization Study

Board Policy: Enterprise Risk Management	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Vinay Dayal
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Complete an optimization study of LIPA's insurance program.

OBJECTIVE

Complete insurance optimization study of property, casualty, and health care, including examining an owner-controlled insurance program.

BUSINESS BENEFIT

Potential for cost savings for customers.

RISK IF WORKPLAN IS NOT EXECUTED

Lost opportunity for cost reduction.

FIN-WP24-045: Closeout Sandy FEMA Grant Claim

Board Policy: Customer Value, Affordability & Rate Design	Board PIPs: n/a
LIPA Exec. Sponsor: Dennis Anosike	LIPA Proj. Mgr: Kenneth Kane
Purpose: Operational Improvement	Type: 2023 Carryover

DESCRIPTION

Ensure the Federal Emergency Management Agency (FEMA) has completed all the applicable administrative actions and all required work of the Superstorm Sandy Federal award have been completed (completion of the grant life cycle) to obtain the final funds due to LIPA for hazard mitigation work performed.

OBJECTIVE

To complete physical construction as required under the FEMA Sandy Project (Category F and Category B Emergency Protective Measures) and provide remaining support for costs to DHSSES/FEMA to enable release of remaining funds to LIPA. Prepare documents necessary to close out the Sandy FEMA claim.

BUSINESS BENEFIT

Obtain remaining funding provided for by the Letter of Undertaking which will replenish LIPA treasury for funds expended on mitigation

RISK IF WORKPLAN IS NOT EXECUTED

Higher cost to customers from delayed FEMA reimbursement.

Office of The General Counsel

LEG-WP24-011: Complete LIPA/LILCO Merger

Board Policy: N/A	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Alex Pozdnyakov
Purpose: Reporting/Regulatory Requirement	Type: Multi-Year Project

DESCRIPTION

Complete the merger of Long Island Lighting Company into LIPA to reduce administrative and disclosure requirements.

OBJECTIVE

Merge the subsidiary into the parent, Long Island Lighting Company, to eliminate confusion and administrative work.

BUSINESS BENEFIT

Simplify the administrative structure and reduce disclosure complexity.

RISK IF WORKPLAN IS NOT EXECUTED

Loss of operational and disclosure benefits of merger.

LEG-WP24-016: Implement Management Audit Recommendations

Board Policy: Audit Relationships	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Jason Horowitz
Purpose: Reporting/Regulatory Requirement	Type: New

DESCRIPTION

Finalize the DPS management audit and, with internal audit and subject matter experts, coordinate development of management action plans responsive to final recommendations.

OBJECTIVE

Ensure DPS management audit report is factually accurate and management action plans appropriately address auditor's recommendations.

BUSINESS BENEFIT

Mitigate management audit findings and comply with legal and contractual requirements to implement DPS-led management audit.

RISK IF WORKPLAN IS NOT EXECUTED

Inadequate remediation of management audit findings.

LEG-WP24-017: Update LIPA's Standard Consulting Agreement

Board Policy: n/a	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Joseph Wiener
Purpose: Operational Improvement	Type: New

DESCRIPTION

Update LIPA's standard consulting agreement with improvements identified in 2023 and create a resource of previously negotiated terms.

OBJECTIVE

Minimize the amount of time it takes to negotiate the terms of LIPA's standard consulting agreements by creating a privileged source document that identifies alternative contract terms that have been deemed acceptable to LIPA and approved by the AG and OSC.

BUSINESS BENEFIT

Streamline the process of negotiating contracts with vendors to facilitate timely and cost-effective provision of services.

RISK IF WORKPLAN IS NOT EXECUTED

Delays in implementing needed projects and services, including seeking AG and OSC approval. Additional staff time and the potential for materially different contract terms among vendors.

LEG-WP24-027: Enhance LIPA Procurements

Board Policy: Procurement	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Maria Gomes
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Enhance LIPA's procurement processes and procedures including use of a dashboard.

OBJECTIVE

Increase competition in LIPA procurements, improve efficiency in procurement processes, and enhance the value from LIPA's procurements.

BUSINESS BENEFIT

Implementation of certain process improvements, including development of the Procurement Dashboard to better track the timing for procurement needs.

RISK IF WORKPLAN IS NOT EXECUTED

Less efficient and effective procurement processes.

LEG-WP24-028: Review PSEG Long Island's Procurement Lifecycle

Board Policy: Procurement	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi O'Connor	LIPA Proj. Mgr: Maria Gomes
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Review PSEG Long Island's procurement processes and procedures for value enhancement and more timely project completion.

OBJECTIVE

Identify and implement improvements to procurement processes and procedures to enhance value and improve efficiency of PSEG Long Island's procurements.

BUSINESS BENEFIT

Better quality services, reduced cost and more timely project completion.

RISK IF WORKPLAN IS NOT EXECUTED

Less efficient and effective service delivery.

LEG-WP24-051: Compensation Benchmarking Study

Board Policy: N/A - None	Board PIPs: n/a
LIPA Exec. Sponsor: Bobbi OConnor	LIPA Proj. Mgr: Barbara Ann Dillon
Purpose: Operational Improvement	Type: Multi-Year

DESCRIPTION

Complete a consultant-led compensation benchmarking study to ensure LIPA's compensation is appropriate and competitive

OBJECTIVE

Complete a consultant-led benchmarking study to support LIPA's efforts to attract and keep quality talent by ensuring competitive compensation. Compensation benchmarking helps control labor costs and will highlight any pay inequities.

BUSINESS BENEFIT

Compensation benchmarking is key to understanding how LIPA compensation compares with similar roles at companies with whom we compete for talent and ensures that our compensation is appropriate and competitive. Accurate and current benchmarking data is necessary to set compensation ranges that attract, reward, and retrain employees in a competitive job market.

RISK IF WORKPLAN IS NOT EXECUTED

N/A

Office of the CEO

CEO-WP24-001: Create the History of LIPA

Board Policy: LIPA's Purpose and Vision, Economic Development & Community Engagement	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Thomas Locascio
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Create the collective history of Long Island's electric grid.

OBJECTIVE

Collect materials and develop a narrative of the Long Island electric grid's history available for communications.

BUSINESS BENEFIT

Attaining a collective history of the Long Island electric grid's history requires visiting and researching multiple sources. Establishing a single place of education streamlines learning. LIPA also gains a consistent narrative for use in communications, on-boarding, and across LIPA's communications.

RISK IF WORKPLAN IS NOT EXECUTED

Limits our ability to enhance communications and communicate effectively. Loss of staff efficiency.

CEO-WP24-002: Execute New Service Provider Contract Beginning January 2026

Board Policy: Strategic Planning and Performance Management	Board PIPs: n/a
LIPA Exec. Sponsor: Werner Schweiger	LIPA Proj. Mgr: Werner Schweiger
Purpose: Contract/Metric Requirement	Type: Multi-Year Project

DESCRIPTION

Prepare for the expiration of the Service Provider contract on 12/31/2025 by executing new contracts.

OBJECTIVE

Planning for the end of the Service Provider contract on December 31, 2025 by executing new contracts, including bidding strategy, RFP, and contract execution.

BUSINESS BENEFIT

Ensure continuous and reliable service for our customers.

RISK IF WORKPLAN IS NOT EXECUTED

LIPA will be unprepared for its future once the PSEG Long Island contract ends in 2025.

CEO-WP24-003: Update Jones Beach Exhibits

Board Policy: Economic Development & Community Engagement	Board PIPs: n/a
LIPA Exec. Sponsor: Thomas Falcone	LIPA Proj. Mgr: Gaspare Tumminello
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Update Jones Beach Energy & Nature Center Exhibits to create a more engaging environment and provide a roadmap to the renewable energy future of NYS.

OBJECTIVE

Create engaging and informative exhibits and educational content for the energy side of the Jones Beach Energy & Nature Center. The energy portion of the JBENC should i) educate about electricity basics; ii) inform on hot topics and activities in each area (e.g. clean energy transition, EVs, heat pumps); and iii) provide actionable opportunities for customers to engage with LIPA energy efficiency and beneficial electrification programs. Develop KPIs to measure and monitor project success.

BUSINESS BENEFIT

New interactive and engaging exhibits will involve at endees in the renewable energy future of NYS.

RISK IF WORKPLAN IS NOT EXECUTED

Energy Center's exhibits will not align with the renewable future of NYS (wind, solar and battery storage).

CEO-WP24-004: Implement Community College Partnerships for Workforce Development

Board Policy: Social and Environmental Justice	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Michael Deering
Purpose: Operational Improvement	Type: Multi-Year Project

DESCRIPTION

Expand the LIPA Scholarship Program to establish certificate program(s) with Nassau County Community College, PSEG Long Island, Suffolk County Community College, and IBEW 1049 to expand workforce opportunities and attract qualified, diverse talent.

OBJECTIVE

Establish certificate program(s) to support LIPA's efforts to expand workforce opportunities and attract qualified, diverse talent.

BUSINESS BENEFIT

Development of local workforce focusing on and supporting low- and moderate-income students and those located in Disadvantaged Communities.

RISK IF WORKPLAN IS NOT EXECUTED

Will not provide this educational opportunity for students who may be interested in a career with the utility.

CEO-WP24-023: Implement Enterprise Risk Management Strategic Roadmap

Board Policy: Enterprise Risk Management	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Jessica Dehnert
Purpose: Operational Improvement	Type: New

DESCRIPTION

Track objectives and deliverables of the Enterprise Risk Management Roadmap for 2024, including:

- 1) embedding Enterprise Risk Management into business processes,
- 2) incorporating Enterprise Risk Management into strategic planning,
- 3) improving measurement effectiveness of mitigation actions,
- 4) improving the management of emerging risks,
- 5) fostering risk awareness, and
- 6) engaging in benchmarking for continuous improvement.

OBJECTIVE

Embed Enterprise Risk Management into Business Processes:

- Utilize internal audit reports to determine if aligned risks are missing mitigation actions and create a feedback loop to monitor the implementation and effectiveness of newly created mitigation actions.
- Review the business continuity and crisis management planning processes and identify areas where risk information can be integrated and risk criteria can be consistently applied.

Incorporate Enterprise Risk Management into Strategic Planning:

- Work with the Strategy group to determine how ERM risk analysis can be further incorporated into the strategic planning process

Manage the ERM Process:

- Identify new KRIs while refining the process and reporting mechanisms, as needed

Improve Measuring the Effectiveness of Mitigation Actions:

- Incorporate lessons learned and improvements to the risk mitigation effectiveness process, oversee and monitor the progress of PSEG LI's efforts to develop risk mitigation effectiveness plans for additional Tier 1 and 2 risks.

Improve the Management of Emerging Risks:

- Facilitate scenario exercises with SMEs on one emerging risk to identify sub-risk areas that enable identification of better response plans

Foster Risk Awareness:

- Increase to three presentations/risk discussions to the F&A Committee annually

Engage in Benchmarking for Continuous Improvement:

- Take the Gartner ERM Maturity Assessment and report findings to the F&A Committee

BUSINESS BENEFIT

Reduce and limit LIPA's risk posture through 1) increased risk awareness and 2) promoting better-informed business decisions through integration of risk analysis into business processes such as audits and strategic planning.

RISK IF WORKPLAN IS NOT EXECUTED

The activities outlined in 2024 help to improve and better understand issues. If these activities are not completed, the Program is not advancing best practices to provide increased value to the organization.

CEO-WP24-047: Update LIPA's Brand Strategy

Board Policy: LIPA's Purpose and Vision, Economic Development & Community Engagement	Board PIPs: n/a
LIPA Exec. Sponsor: Tom Falcone	LIPA Proj. Mgr: Jennifer Hayen
Purpose: Operational Improvement	Type: 2023 Carryover

DESCRIPTION

Create updated brand materials (logo, website, publications).

OBJECTIVE

Develop brand materials that give clarity to LIPA's role on Long Island and the Rockaways and enhance LIPA's reputation.

BUSINESS BENEFIT

Modern communications that clarify LIPA's role and enhance its reputation.

RISK IF WORKPLAN IS NOT EXECUTED

Dated materials and ad hoc communications.

