

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 321st MEETING

HELD ON MARCH 27, 2024

The Long Island Power Authority (“LIPA”) was convened for the three hundred and twenty-first time at 12:52 p.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on March 22, 2024, and electronic notice posted on the LIPA’s website.

The following LIPA Trustees were present in person:

**Tracey Edwards, Chair
Valerie Anderson Campbell
Vanessa Baird-Streeter
Drew Biondo
Laureen Harris
Claudia Lovas (via video conference)
Dominick Macchia
Mili Makhijani
David Manning**

Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, General Counsel & Board Secretary; Gary Stephenson, Senior Vice President of Power Supply; Donna Mongiardo, Vice President-Controller; Jen Hayen, Director of Communications; Sarah Mandli, Senior Manager of Manager of Customer Experience; and Bill Robins, Digital Media Specialist. Participating via video conferencing was Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board.

Representing PSEG Long Island, in person, were David Lyons, Interim President and Chief Operating Officer; Lou DeBrino, Vice President of Customer Operations; Peggy Keane, Vice President of Construction and Operations; Andrea Elder-Howell, Vice President-Legal; and Jessica Tighe, Director, Customer Contact & Billing.

Representing the Department of Public Service were Carrie Meek Gallagher, Director; and Nick Forst, Deputy Director.

Chair Edwards welcomed everyone to the 321st meeting of the Long Island Power Authority Board of Trustees. During the Chair's opening remarks, Chair Edwards announced the reappointment of Trustee Biondo and welcomed him back to the Board of Trustees.

Chair Edwards stated that the first item on the agenda¹ was the Consideration of Approval of the 2023 Financial Report to be presented by Donna Mongiardo.

Ms. Mongiardo presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees (the "Board") is being requested to approve the 2023 Financial Report (the "Financial Report") prepared in accordance with Section 2800(1) of the Public Authorities Law ("PAL"), in the form attached as Exhibit "B."

2023 Financial Report

Section 2800(1) of the PAL requires LIPA to submit an annual report to the Governor, the Chairman and ranking minority member of the Senate Finance Committee, the Chairman and ranking minority member of the Assembly Committee on Ways and Means, the State Comptroller, and the Authorities Budget Office, within ninety days after the end of LIPA's fiscal year. Under Section 2800(1)(a)(2) of the PAL, the Financial Report shall include the following: audited financials; grant and subsidy programs; operating and financial risks; current bond ratings; and long-term liabilities. Section 2800(3) of the PAL requires the Financial Report to be approved by the Board.

Recommendation

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

¹ Several agenda items were presented out of order from the originally posted Board Agenda.

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

1829. RESOLUTION APPROVING THE 2023 FINANCIAL REPORT OF THE LONG ISLAND POWER AUTHORITY

WHEREAS, Section 2800(1) of the Public Authorities Law (“PAL”) requires public authorities such as the Long Island Power Authority (“LIPA”) to prepare an annual report; and

WHEREAS, LIPA’s annual report includes, among other things, a financial report, as defined under Section 2800(1)(a)(2) of the PAL (the “Financial Report”); and

WHEREAS, LIPA has prepared its Financial Report, which, pursuant to Section 2800(3) of the PAL, is subject to the approval of the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves the 2023 Financial Report of the Long Island Power Authority, in the form presented at this meeting.

Chair Edwards stated that the next item on the agenda was the Consideration of the Consent Agenda Items.

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

1830. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JANUARY 25, 2024 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY²

RESOLVED, that the Minutes of the meeting of the Authority held on January 24, 2024 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

² Trustee Biondo abstained from the approval of the January 25, 2024 minutes.

Requested Action

The Board of Trustees (the “Board”) is requested to adopt a resolution approving: (i) LIPA’s Annual Investment Report for 2023 in the form attached hereto as Exhibit “B”; and (ii) the 2024 Board Policy on Investments in the form attached hereto as Exhibit “C”.

Annual Investment Report for 2023

Section 2925 of the Public Authorities Law (“PAL”) requires that LIPA annually review and approve an investment report. LIPA’s investments are either: (i) managed by an investment manager in primarily short-term, highly liquid investments; or (ii) invested in broad-based, low-cost equity and fixed-income mutual funds. All investments of LIPA funds are governed by the Board Policy on Investments.

LIPA’s investments were compliant with the terms and conditions of the Policy for 2023 and performed consistent with LIPA Staff’s expectations given the nature of the investments.

2024 Board Policy on Investments

The Board is also required by Section 2925(6) of the PAL to annually review and approve the Board Policy on Investments, which details the Board’s operative instructions to LIPA Staff regarding the investing, monitoring, and reporting of LIPA funds. The Board Policy on Investments was last reviewed and approved on March 29, 2023. LIPA Staff has reviewed the Board Policy on Investments, which is attached hereto as Exhibit “C”, and recommends no modifications for 2024.

Recommendation

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

1831. RESOLUTION APPROVING THE ANNUAL INVESTMENT REPORT FOR 2023 AND THE 2024 BOARD POLICY ON INVESTMENTS

RESOLVED, that the Board of Trustees hereby approves the Annual Investment Report for the period ended December 31, 2023, in the form presented at this meeting; and

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves and adopts the Board Policy on Investments in the form presented at this meeting to be effective immediately.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution authorizing the replacement of each Letter of Credit (“LOC”) facility issued by Royal Bank of Canada. (“RBC”) and Barclays Bank PLC supporting its outstanding General Revenue Notes, Series 2015 GR-4 and GR-6 respectively (together the “GR Notes”) and the execution of new reimbursement agreements in connection therewith.

Background

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

LIPA has an LOC facility issued by Royal Bank of Canada supporting its outstanding GR-4 Notes (the “GR-4 Notes”), which expires on June 6, 2024. LIPA has an LOC facility issued by Barclays Bank PLC supporting its outstanding GR-6 Notes (the “GR-6 Notes”) which expires on June 12, 2024.

LIPA issued a Request for Proposal for Letter of Credit Facilities (the “Bank Facility RFP”). A selection committee consisting of LIPA Staff, with the assistance of LIPA’s financial advisor, reviewed the responses and selected the proposals submitted by Sumitomo Mitsui Banking Corporation, New York Branch and Barclays Bank PLC (collectively, the Banks”) as the winning responses based on cost and terms. LIPA will enter into a new reimbursement agreement with each of Sumitomo Mitsui Banking Corporation, New York Branch and Barclays Bank PLC, which agreements will be substantially similar to the existing agreements between LIPA and the entities providing the existing LOC facilities supporting the GR-4 Notes and GR-6 Notes, respectively, and each of the Banks will provide new letters of credit sufficient to support the GR-4 Notes and GR-6 Notes, respectively, and substantially similar to the existing letters of credit supporting the GR-4 Notes and GR-6 Notes. The new agreements will require the execution of new offering memorandums or other disclosure documents and other instruments.

Recommendation

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

1832. RESOLUTION APPROVING THE SELECTION OF CERTAIN BANKS AND APPROVING CERTAIN RELATED AGREEMENTS

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

WHEREAS, the Authority has issued a Request for Proposal for Letter of Credit Facilities (the “Bank Facilities RFP”) requesting proposals from a number of banks to enter into one or more credit facilities or to issue letters of credit in support of its outstanding Electric System General Revenue Notes, Series 2015 GR-4 and GR-6 (the “GR Notes”), and the staff selection committee has reviewed the responses and selected the proposals submitted by Sumitomo Mitsui Banking Corporation, New York Branch (“Sumitomo”) and Barclays Bank PLC (“Barclays”) as the winning responses (such proposals being referred to hereinafter as the “Selected Proposals” and Sumitomo and Barclays referred to hereinafter collectively as the “Selected Banks”);

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority is requested to approve a resolution, attached hereto as Exhibit “A”, authorizing the Chief Executive Officer, or his designee, to engage PFM Financial Advisors LLC and Mohanty Gargiulo LLC to provide financial and swap advisory services, respectively, for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, “LIPA”) and Utility Debt Securitization Authority (UDSA) for a term not to exceed five (5) years.

Background

LIPA solicited proposals from financial and swap advisory firms to act as LIPA’s Municipal Advisors as defined by the U.S. Securities Exchange Commission in connection with capital markets activity. These advisory firms’ services would include (but are not limited to) (1) analyzing and evaluating proposals received from underwriters and making necessary recommendations; (2) assisting in the development and evaluation of requests for proposals for

various services in connection with the issuance of debt, including participating on a non-voting basis in the evaluation of proposals; (3) assisting in developing new credit structures and innovative financing proposals; and (4) assisting the Authority in the development of its annual plan of finance to be presented to the Board of Trustees.

Discussion

On December 19, 2023, LIPA issued an RFP for qualified firms to provide: (i) Financial Advisory Services; and (ii) Swap Advisory Services to LIPA.

The solicitation initially elicited responses from two service providers. In an effort to broaden the response base, LIPA readvertised the solicitation in the Bond Buyer (an industry publication). On or before February 23, 2024, one firm submitted proposals to provide Financial Advisory services and two firms submitted proposals for Swap Advisory Services. Responses were evaluated according to the criteria set forth in the RFP by LIPA’s Finance Team, while LIPA’s Procurement Department, as required by State law, ensured compliance with Minority/Women Business Enterprises (MWBE), Service-Disabled Veteran-Owned Businesses solicitation opportunities, as well as cost aspects of the proposals.

The technical evaluation that resulted in the recommendation set forth in the accompanying resolution included assessments of the firm’s experience and qualification, rates, proposed changes to LIPA’s standard consulting contract, and their proposals to comply with the state requirements.

LIPA Staff recommends that the following firms be awarded contracts in the scopes indicated:

Firm	Scope
PFM Financial Advisors LLC	Financial Advisory Services
Mohanty Gargiulo LLC	Swap Advisory Services

The proposed fees have been determined reasonable for the services to be provided.

Recommendation

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

1833. RESOLUTION AUTHORIZING THE ENGAGEMENT OF FIRMS TO PROVIDE A FINANCIAL AND SWAP ADVISORY SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage PFM Financial Advisors LLC and Mohanty Gargiulo LLC to provide financial and swap advisory services respectively for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA and Utility Debt Securitization Authority for a term not to exceed five (5) years.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is being requested to authorize the Chief Executive Officer or his designee to execute a memorandum of agreement (“MOA”) with the New York State Energy Research and Development Authority (“NYSERDA”) for funding the Clean Energy Hub (the “Hub”) program in the Long Island Power Authority electric service territory on Long Island and the Rockaways (“LIPA Service Territory”).

Background

New York State, through NYSERDA, has established twelve (12) Regional Clean Energy Hubs across the State, which are intended to build on previous community engagement and outreach initiatives by increasing capacity at the local level to position disadvantaged communities (“DACs”) to participate in and benefit from the clean energy economy.

NYSERDA has allocated \$52.6 million over four years to establish and fund activities for these Regional Clean Energy Hubs to serve as centers of outreach, awareness, and education across the State to help foster residents’ participation in the clean energy transition, with a primary focus on advancing the Climate Leadership and Community Protection Act (“CLCPA”) with regional- place-based investments associated with DAC benefits from clean energy and energy efficiency programs.

Of the \$52.6 million allocated statewide, NYSERDA has allocated \$4 million over four years for funding the Clean Energy Hub in the LIPA Service Territory. Cornell Cooperative Extension of Nassau County (“CCE Nassau”) has been competitively selected by NYSERDA and contracted to serve as the prime contractor for the Long Island Hub.

LIPA is providing a financial commitment in the amount of up to \$2,000,000 over calendar years 2024 and 2025 as the parties cooperate, coordinate and collaborate to extend the outreach and support of the Hub to advance the clean energy transition through a local cooperative, coordinated and collaborative approach to increase existing staff capacity and new partnerships to make clean energy services, technologies, and jobs more accessible to residents and small businesses throughout the LIPA Service Territory, and thus advance the State’s goals for DACs under the Climate Leadership and Community Protection Act.

Discussion

As identified in NYSERDA’s contract with CCE Nassau the following are expected outcomes of Hub work to be supported by NYSERDA and LIPA’s funding:

- Increase in consumer awareness of and access to and uptake of clean energy technologies and opportunities.

- **Advance the local capacity to engage with community residents, including those located in DACs and/or who are or likely to be disproportionately affected by the climate crisis, about clean energy technologies and opportunities.**
- **Support for career pathways for populations in DACs through partnerships with training, education, and clean energy businesses for employment opportunities in the clean energy workforce.**
- **Improve the coordination of services and increase in partnerships with clean energy industries, affordable housing providers, human services providers, local governments, utilities, unions, third-party funding providers, colleges and universities, philanthropic organizations, etc. to assist residents and increase participation in clean energy technologies and opportunities.**

In addition to the above outcomes, it is expected through this MOA that the Hub shall:

- **Assist with and advise on the development and implementation of Community Benefits Plans that may be submitted for state and federal grant opportunities.**
- **Develop and provide quarterly and annual updates and reports as to the progress being made to achieve the expected outcomes.**
- **Coordinate with the statewide network of Regional Clean Energy Hubs to share best practices for the benefit of the LIPA Service Territory.**
- **Establish strategic partnerships across the clean energy ecosystem throughout the LIPA Service Territory to benefit DACs.**
- **Prepare an annual Plan of Work.**
- **Develop a Regional Assessment and Barriers Analysis.**
- **Prepare an Outreach and Equitable Engagement Plan that will focus on the estimated expenditures, timeframe, and steps for how and to what extent the Hub will:**
 - a) **Deliver community-based engagement, outreach, and cause increased consumer awareness of clean energy technologies and opportunities.**
 - b) **Coordinate with LIPA on utility programs and resources to increase participation in clean energy technologies and opportunities and conduct education campaigns and other outreach to increase adoption of clean energy solutions (e.g., home energy audits, heat pump installations and incentives).**
 - c) **Conduct stakeholder engagement to incorporate community perspectives and increase public input into LIPA's and NYSERDA's clean energy technologies and opportunities, programs, and policies.**
 - d) **Increase local capacity to improve engagement of community residents and stakeholders with programs and policies fostering clean energy technologies and opportunities.**
 - e) **Advance diversity in the clean energy workforce by working with unions, universities, colleges, trade schools, and clean energy industries to help educate, connect, and provide opportunities for individuals from DACs, and increase the number and diversity of participating contractors in the clean energy sector.**
 - f) **Advance local projects that address barriers in DACs to participation in or benefiting from the clean energy technologies and opportunities.**
 - g) **Increase the number of participants that take advantage of government and utility credits, rebates, and incentives in energy efficiency and clean energy solutions for**

energy and financial savings and increase the diversity of organizations and firms participating in the clean energy sector.

Recognizing that cooperation and coordination with NYSERDA and CCE Nassau will further LIPA's, NYSERDA's, and the State's goals of efficiently and effectively achieving the State's clean and affordable energy goals, engaging residents and businesses in DACs, and workforce development, LIPA Staff proposes that LIPA enter into an MOU with NYSERDA to fund LIPA's share of the Clean Energy Hub for the LIPA service territory at a maximum amount of \$2 million.

Recommendation

Based on the foregoing, I recommend that the Trustees authorize the Chief Executive Officer or his designee to take all actions, including, without limitation, executing the MOA with NYSERDA as described above.

1834. AUTHORIZATION TO EXECUTE A MEMORANDUM OF AGREEMENT ("MOA") WITH NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY ("NYSERDA") FOR FUNDING FOR THE CLEAN ENERGY HUB PROGRAM

WHEREAS, LIPA and NYSERDA are in the process of negotiating the MOA relating to funding for the Clean Energy Hub program; and

WHEREAS, the total cost of the contribution by LIPA is calculated to be up to \$2,000,000 over two years.

NOW, THEREFORE, BE IT RESOLVED, that the Chief Executive Officer or his designee be and hereby is authorized to execute and effect an MOA with NYSERDA consistent with the terms of the accompanying memorandum, and to perform such other acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or his designee, to implement LIPA's participation in the Clean Energy Hub program.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority (the "LIPA") is requested to adopt a resolution approving the annual review of the Property Disposition Policy and Amendments to LIPA's Code of Ethics and Conduct (the "Code of Ethics")

Discussion

In accordance with the New York State Public Authorities Law ("PAL") and governance best practices, the Board has adopted the Board Policy on Property Disposition. Section 2896(1) of the PAL requires that the property disposition guidelines be annually reviewed and approved by

LIPA. The Board Policy on Property Disposition was last reviewed and approved by the Board in March 2023.

LIPA Staff recommends no changes to either the Board Policy on Property Disposition.

Amendments to LIPA’s Code of Ethics and Conduct

LIPA Staff has reviewed the Code of Ethics and recommends certain minor changes to the Policy to conform with updated law. The New York State Commission on Ethics and Lobbying in Government (“COELIG”) was established by the Ethics Commission Reform Act of 2022. COELIG was created to replace what was known as the Joint Commission on Public Ethics (“JCOPE”). References to JCOPE have been removed and replaced with COELIG consistent with Ethics Commission Reform Act of 2022. Additionally, certain other changes have been made to better reflect the threshold related to gifts. Other minor formatting and clerical edits are also included. All amendments are more specifically shown on Exhibit “C”.

Recommendation

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

1835. RESOLUTION APPROVING THE ANNUAL REVIEW OF PROPERTY DISPOSITION POLICY AND AMENDMENTS TO THE LIPA’S CODE OF ETHICS AND CONDUCT

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

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

WHEREAS, additionally, LIPA Staff has reviewed LIPA’s Code of Ethics and Conduct and recommends certain minor changes to the Policy to conform with the Ethics Commission Reform Act of 2022, which created the New York State Commission on Ethics and Lobbying in Government (“COELIG”) as a replacement of the Joint Commission on Public Ethics (“JCOPE”).

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the Public Authorities Law, the Board of Trustees hereby approves the annual review of the Board Policy on Property Disposition; and

BE IT FURTHER RESOLVED, the Board of Trustees hereby approves the amendments to LIPA Code of Ethics and Conduct as provided in the attached memorandum.

Chair Edwards stated that the next item on the agenda was the Chief Executive Officer's Report to be presented by Thomas Falcone.

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

Chair Edwards stated that the next item on the agenda was the Consideration of Appointment of an Acting Chief Executive Officer.

After requesting a motion on the matter, which was seconded, the following action item was presented.

Requested Action

The Board of Trustees (the "Board") is requested to approve a resolution appointing John B. Rhodes as Acting Chief Executive Officer ("Acting CEO") of the Long Island Power Authority and its wholly owned subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, "LIPA") to replace, on an interim basis, LIPA's current Chief Executive Officer, Thomas Falcone, who, on March 18, 2024, announced his decision to resign.

Background

Mr. Rhodes has over 30 years of energy and utility experience, most recently serving as Chief Program Officer at the New York State Department of Public Service Commission ("NYS DPS").

From 2021 to 2022 Mr. Rhodes served as Special Assistant to President Biden for Climate Policy at The White House. Prior to that he was Chair of the Public Service Commission and Chief Executive Officer of the Department of Public Service. From 2013 to 2017, Mr. Rhodes served as President and Chief Executive Officer at the New York State Energy Resource and Development Authority where he led efforts to develop strategies to drive New York's nation-leading clean energy agenda.

Mr. Rhodes holds an undergraduate degree from Princeton and a masters degree from Yale.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by the adoption of the Resolution attached hereto as Exhibit "A".

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved³ by the Trustees.

1836. APPOINTMENT OF AN ACTING CHIEF EXECUTIVE OFFICER

BE IT RESOLVED, that John B. Rhodes be, and hereby is, appointed Acting Chief Executive Officer of the Long Island Power Authority and its wholly-owned subsidiary, Long Island Lighting Company d/b/a/ LIPA (LIPA), effective immediately, until the earlier of his resignation or removal; and

BE IT FURTHER RESOLVED, that the incumbent of the position of Acting Chief Executive Officer shall be an officer of LIPA within the meaning of LIPA's enabling legislation (Chapter 517 of the Laws of 1986), as amended, including Section 1020-bb of the Public Authorities Law, and all other applicable laws.

Chair Edwards stated that the next item on the agenda was the Consideration of Approval of the Annual Review and Amendments to the Procurement Policy to be presented by Bobbi O'Connor.

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

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority (the "LIPA") is requested to adopt a resolution approving the annual review of the Board Policy on Procurement.

Discussion

In accordance with the New York State Public Authorities Law ("PAL") and governance best practices, the Board has adopted the Board Policy on Procurement. Section 2879(1) of the PAL requires that the procurement guidelines be annually reviewed and approved by

³ Trustees Harris and Macchia abstained; Trustee Biondo voted no.

LIPA. The Board Policy on Procurement was last reviewed and approved by the Board in March 2023.

LIPA Staff recommends one change to the Board Policy on Procurement to specifically include the 30% goal for contracting with MWBE firms consistent with New York State policy.

Recommendation

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

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

1837. RESOLUTION APPROVING THE ANNUAL REVIEW AND AMENDMENTS TO THE BOARD POLICY ON PROCUREMENT

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

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

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the Public Authorities Law, the Board of Trustees hereby approves the annual review of the Board Policy on Procurement; and

BE IT FURTHER RESOLVED, that the Board hereby adopts the amendments described in the accompanying memorandum.

Chair Edwards stated that the next item on the agenda was the Consideration of Approval of the Integrated Resources Plan to be presented by Gary Stephenson.

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

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a Resolution, attached hereto as Exhibit “A”, approving the key findings and initiatives contained in the 2023 Integrated Resource Plan, which will guide next actions by LIPA Staff.

Background

Utilities conduct Integrated Resource Plans (“IRPs”) to identify long-term resource needs and to evaluate available options to ensure access to adequate electric power resources to serve customers reliably and affordably. IRPs were introduced in the 1970s to integrate the evaluation of the major categories of options in resource planning, including demand-side measures, generation, and transmission. LIPA’s last IRP was issued in 2017.

In July 2019, New York State enacted the Climate Leadership and Community Protection Act (“Climate Act”), one of the country's most aggressive clean energy and greenhouse gas reduction laws. The Climate Act includes, among other goals, a requirement that 70% of electricity consumed in the state by 2030 be produced from renewable energy; the development of 6,000 megawatts (“MW”) of distributed solar by 2025, 3,000 MW of energy storage by 2030, and 9,000 MW of offshore wind by 2035; and 100% zero-carbon electricity generation by 2040. In June 2021, LIPA’s service provider, PSEG Long Island, supported by consultants and industry researchers, commenced the development of this IRP to project resource needs for Long Island and the Rockaways. The Climate Act requirements are key inputs to the scenarios evaluated in the study, and significantly impact the electricity supply and demand outlook in Long Island and the rest of New York State.

LIPA Staff presented the objectives, key challenges, and timeline for the IRP to the Board at its June 23, 2021 meeting. To initiate public engagement on the IRP development, LIPA held a 30-day public comment period on the proposed Scope of Work (“SOW”), which commenced on July 23, 2021. LIPA received 18 comments that were reviewed, consolidated, and presented to the LIPA Board. The Board approved the final SOW at its September 22, 2021 meeting. The analytic studies for the IRP were completed in December 2022, followed by a review and the publication of the IRP Summary Guide in November 2023. The key findings and initiatives of the 2023 IRP were presented to the Board at its November 15, 2023 meeting and released publicly. Public outreach has continued into 2024, as further detailed below.

IRP Summary Guide

The IRP Summary Guide (see Exhibit D) is organized around themes in the form of frequently asked questions and written in an accessible style to help customers and stakeholders understand the IRP’s assumptions, findings, and next steps. It consists of approximately 67 pages of information and analysis on topics including:

- *New York’s Climate Act*

- *Decarbonizing the electric grid*
- *Offshore wind*
- *Dispatchable emissions-free resources and storage*
- *Utility-scale and rooftop solar*
- *Electrification of transportation and heating*
- *Electrification and electric sales through 2040*
- *Planning for the effects of climate change*
- *Managing the cost of the clean energy transition*

Public Outreach on the IRP Findings and Initiatives

To ensure customers and stakeholders were aware of LIPA’s IRP, LIPA conducted extensive outreach to stakeholders, elected officials, and news media outlets on the findings, initiatives, and ways the public could participate and provide comments. This outreach included social media content, e-mail campaigns, physical mailings of the Summary Guide, briefings with stakeholders and elected officials, and media interviews. LIPA’s social media content on LinkedIn garnered over 10,000 impressions and an 11.15% engagement rate. LIPA also created an [IRP webpage](#) and an educational video series featuring subject matter experts.

Media placements included Newsday, News 12, the Long Island Business News, Herald Community Newspapers, Vision Long Island’s Main Street News program, and the American Public Power Association. Media clips are attached as Exhibit C.

LIPA provided customers and stakeholders with the opportunity to comment on the IRP through email, the PSEG Long Island website, or in person at public hearings and LIPA Board meetings.

There were 35 individuals who signed up to receive direct notices for IRP events and information. Six written submissions were sent via email to IRP@lipower.org, including comments from representatives of National Grid Ventures, the New York Battery and Energy Storage Technology Consortium, the Long Island Federation of Labor, and the Long Island Progressive Coalition.

LIPA held three public comment hearings on February 12, 13, and 15, 2024, in Nassau County and the Rockaways, with in-person and virtual participation options. Due to inclement weather, the in-person hearing planned for Suffolk County was switched to virtual-only. The public comment sessions were also listed on the [News 12 events page](#). 19 members of the public attended the hearings and seven individuals delivered comments during the hearings. Transcripts are attached as Exhibit B.

Public Comments on the IRP

Nearly all the public comments received by email and at the public hearings supported LIPA’s participation in the statewide clean energy transition and the IRP’s reliance on renewable resources and energy efficiency to meet load growth. The complete comments are available on LIPA’s website ([link](#)).

To cohesively address the input provided, LIPA has grouped the comments into ten (10) separate categories, summarized the feedback, and provided a LIPA Staff response for each category, as presented below.

1) LIPA's Commitment to NYS's Climate Act Goals

There were numerous remarks on the 2023 IRP, most of which indicated support for LIPA's efforts in developing a plan that serves as a roadmap to a clean energy future for Long Island and the Rockaways.

One commenter stated that the IRP should have greater recognition of the outstanding work needed to achieve New York State's Climate Act goals.

LIPA Staff Response:

LIPA appreciates the positive responses to its IRP and is committed to driving the Long Island and the Rockaways transition to a clean energy future while maintaining high reliability and affordability of power supply to its customers. The energy landscape continues to evolve, and LIPA intends to continue to lead and be responsive to these changes.

2) Long-Term Resource Portfolio

There were several comments and questions on the makeup of LIPA's future resource portfolio. These comments related to (i) the criticality of Dispatchable Emission-Free Resources ("DEFERs") to maintain the reliability of the system and the need to continue to support research and development of all new clean energy technologies, (ii) concerns about relying on certain technologies and fuels such as hydrogen, renewable natural gas ("RNG"), and nuclear; and (iii) concerns about fossil fuel retirements, particularly given the uncertainties about the timing of renewables and beneficial electrification, and the impact of certain legacy generator retirements on related tax and PILOT payments.

LIPA Staff Response:

To maintain system reliability and meet New York's Climate Act goals, the 2023 IRP estimates that Long Island will need 3-6 gigawatts ("GWs") of DEFERs by 2040. DEFERs represent a "proxy technology" needed to replace the flexibility of existing fossil power plants but do not represent LIPA's commitment to deploy any particular technology or fuel source. LIPA periodically revisits the economics of its ownership interest in the Nine Mile Point 2 nuclear facility. Based on the last such analysis, this facility represents a clean, relatively low-cost source of energy. On a statewide basis, nuclear will be a critical component in driving New York State towards a zero-carbon electric grid by 2040.

Any delays and cancelations of offshore wind projects, solar and battery storage additions, or beneficial electrification will likely require adjustments to the retirement schedule of the fossil fuel power plants.

LIPA continually monitors changing conditions, including those from resource projections and market rules, and will adjust the resource plan accordingly to maintain the reliability that our customers deserve.

Regarding the impact of tax and PILOT payments at Barrett, Northport, and Port Jefferson, LIPA has executed settlement agreements with the taxing jurisdictions where the plants are located to gradually lower the payments by approximately 50% on these plants through 2027. The settlements also include provisions that if any units at those sites continue to operate beyond 2027, proportional payments will be made for up to five more years based on 2027 tax levels and the remaining capacity at the site.

3) Energy Efficiency

Certain comments emphasized the importance of energy efficiency programs and initiatives, particularly on the value and need to support the mass adoption of heat pumps. One commenter brought up the need to address the pre-weatherization needs of customers when considering energy efficiency improvements and the need to undertake a whole-house approach (e.g., remediation of mold, asbestos, and lead).

Another commented on the impact of electrification on LIPA's kilowatt-hour ("kWh") sales and grid efficiency and the potential value of electric vehicles, especially when these are used to provide backup power and grid services.

LIPA Staff Response:

As noted in the IRP, one of LIPA's key next steps is to develop a multi-year energy efficiency and beneficial electrification plan through 2030 that sets forth a pathway to meet New York State goals along with spending targets for disadvantaged communities. LIPA invests approximately \$90 million annually in energy efficiency, beneficial electrification, and demand-side programs.

The IRP included growth projections for adopting air-source, ground-source, and hybrid heat pumps. LIPA has a rebate program for customers installing heat pumps, which complements newly enacted federal tax credits, and periodically reviews the design and incentives associated with this and other energy efficiency programs.

LIPA is currently rolling out its outreach and marketing plan focused on the adoption of heat pumps.

As indicated in the IRP, the electrification of transportation and heating will result in significant load growth post-2030, translating into higher energy sales for LIPA. Electrification will also drive sharp growth in the system's peak load, which LIPA is looking to partially mitigate by supporting customers' adoption of smart EV charging practices, managing the timing of electricity usage, and encouraging the adoption of TOD rates. LIPA is conducting further studies of the EV market, including managed charging and "vehicle-to-everything" interconnections.

4) LIPA Ownership of Clean Energy Assets and Use of Available Federal Incentives

Certain comments focused on the incentives available to public power utilities to fund clean energy investments under the Inflation Reduction Act ("IRA"), the Infrastructure Investment Jobs Act, and the CHIPS and Science Act, and whether these were considered in

the 2023 IRP. There were several comments regarding whether LIPA has considered the impact of owning or part-owning renewable energy generation and installing and owning utility thermal energy networks (“UTENs”).

LIPA Staff Response:

LIPA expects to rely on the New York State Energy Research and Development Authority (“NYSERDA”) procurements for a significant portion of its clean energy supply since those procurements benefit from economies of scale (particularly for offshore wind) and statewide scope, which results in reduced costs to LIPA and its customers. LIPA can and will utilize its low cost of capital to procure energy assets independently where it finds localized clean energy opportunities that benefit its customers. Examples of such opportunities include energy storage to bolster system reliability needs in certain locations and Long Island-based utility-scale solar projects. Regarding offshore wind, at the first of the three public comment sessions, LIPA’s CEO clarified that the Authority does not expect to take an ownership position in large-scale offshore wind projects for the near term, as it would expose LIPA to significant commercial and permitting risks in a still developing industry that do not fit within LIPA’s risk tolerance. Developers of such projects have experienced these risks over the last several years.

Regarding UTENs, LIPA is currently working with National Grid to develop a pilot project at Suffolk County Community College. UTENs, however, are more analogous to a local natural gas distribution network and are not a significant part of LIPA’s current clean energy strategy, which focuses primarily on air and ground source heat pumps.

5) Rate Impact

Some commenters expressed concerns regarding the rate impact of transitioning to a 100% zero emissions electric grid. In addition, one commenter stated that there are fixed costs hidden in volumetric rates that subsidize solar and that all fixed costs should be included in the fixed monthly charge. There were also comments and questions about the impact of delays in the rollout of LIPA’s Time-of-Day (“TOD”) Rates, its outreach plan, and whether LIPA has evaluated rate designs other than TOD rates.

LIPA Staff Response:

Minimizing the bill impacts to customers is always of paramount concern to LIPA and includes those associated with transitioning to a zero-emissions electric grid by 2040. As noted in the IRP, the Power Supply Charge, which accounts for about half of LIPA’s total electricity charge, is expected to grow at about 2% per year in real dollars through 2030 (a cumulative increase of approximately \$9 dollars per month in 2023 dollars for a typical residential customer by 2030), assuming reasonably stable commodity costs and other foreseeable assumptions. Rate increases from 2030 to 2040 are more difficult to quantify given the uncertainty associated with the actual types of technology to be deployed, their location, and the accompanying technology costs.¹ However, LIPA monitors and studies developing trends and is focused on implementing the least cost solutions to achieve statewide goals. Moreover, it should be noted that the costs associated with NYSERDA’s contracts for offshore wind and other resource procurements, as well as upgrades to LIPA’s transmission

to support offshore wind, will be shared among load-serving entities statewide based on their proportionate share of the load in New York.

LIPA will also continue to pursue federal grant opportunities, where available, to help offset the cost of climate resiliency measures and other related initiatives.

LIPA offers electricity bill discounts to low-to-moderate-income (“LMI”) customers to ensure that energy bills are no greater than 6% of household income. It also offers enhanced incentives to its LMI customers to adopt energy efficiency improvements that reduce their overall energy bills. These programs are continuously evaluated and modified.

LIPA is in the process of implementing TOD rates. The delay in the rollout will have no impact on the projected long-term level of customer participation or on IRP findings. There is a robust multi-channel outreach plan for the rollout of TOD rates tailored to the program's early rollout and later stages. This includes multiple direct customer communications focused on TOD through mail, email, bill messages, and mass-market advertising (including targeted digital and social media channels). In addition, there is planned outreach to municipalities, interest groups, and other key stakeholders. No other rate designs were considered in the IRP, although it notes in its “key initiatives” the future development of managed charging “vehicle to everything” programs.

6) Renewables

Several comments and questions were raised about specific renewable energy technologies.

These included:

(i) Batteries – highlighting the benefits of energy storage and support for greater deployment of batteries, including Retail Energy Storage and a Community Energy Storage programs; improvements in LIPA’s energy storage procurement process; and urging LIPA to engage in greater public outreach to help educate public officials and the public about the facts of energy storage, particularly concerning fire and safety concerns that have led to some local communities in Long Island to adopt local moratoria prohibiting battery energy storage.

(ii) Offshore Wind (“OSW”) – inquiries about the impact of OSW project delays and cancellations on LIPA’s carbon footprint; whether the Empire Wind 2 project would be rebid; and whether there will be better community outreach for future projects. One commenter stated that OSW projects on Long Island should create good union jobs.

(iii) Solar – Support for greater deployment of solar, particularly on commercial properties and on the distribution system; the benefits of and support for the deployment of solar plus storage systems; and considerations for recommendations made in the Long Island Solar Roadmap.

One commenter expressed that solar and wind are unreliable and inefficient and that these technologies, as well as batteries, also damage the environment and use child labor.

LIPA Staff Response:

(i) Batteries – As stated in the IRP, it is one of LIPA’s key initiatives through 2030 to procure additional energy storage on Long Island in cooperation with NYSERDA and through selective LIPA procurements. LIPA is currently in the final stages of a 175+ MW energy storage solicitation. Over time, additional storage development on Long Island will result in up to 750 MW of storage per the IRP by 2030. On February 6, 2024, Governor Kathy Hochul released the initial recommendations from the Inter-Agency Fire Safety Working Group, outlining enhanced safety standards for battery energy storage systems. These recommendations are currently undergoing public comment and, if adopted, should help alleviate battery fire and safety concerns. LIPA’s TOD rates will also provide another revenue stream to incentivize residential customers to install storage and reduce their electric bills.

(ii) Offshore Wind – Delays and cancellations of certain OSW proposed projects will not materially affect the long-term reduction of LIPA’s carbon footprint as recent OSW project awards by NYSERDA reinforce the state’s commitment to meeting its OSW goal of 9,000 MWs by 2035, a key element of LIPA’s clean energy strategy. LIPA is unable to comment on whether the development of Empire Wind 2 project will continue as that decision is the purview of the project developer. LIPA agrees that OSW projects off Long Island will undoubtedly create jobs, environmental benefits, and increased infrastructure investment that will benefit all Long Island residents.

(iii) Solar – LIPA strongly supports the development of solar projects on Long Island as demonstrated by tariffs that encourage the adoption of behind-the-meter solar, which have led to by far the highest amount of rooftop solar development in New York State – projected to be approximately 1,200 MW by 2030. In terms of large-scale solar development, LIPA has secured via RFPs over 200 MW of solar and continually examines the economics of all renewables – including solar – to ensure that its resource portfolio reflects the most economic choices for its customers. The Long Island Solar Roadmap, while a helpful document, does not examine the feasibility of solar projects but rather the potential for solar via land use development.

LIPA considers solar, wind, and battery storage integral to its current and future resource plans.

The addition of DEFRs will address renewable intermittency, resulting in a reliable and fuel-diverse resource portfolio. Finally, LIPA does not, and would never, countenance the use of child labor in the development of these technologies.

7) Stakeholder Engagement

One commenter stated that only a handful of experts and consultants were solicited to contribute to the IRP process despite the vast implications of the energy transition on disadvantaged communities and that there was a need for greater recognition in LIPA’s IRP of the importance of stakeholder engagement to achieve New York’ goals. Another commenter stated that releasing the data underlying the IRP findings would be helpful for full transparency and to support stakeholder engagement.

LIPA Staff Response:

LIPA agrees that community and stakeholder engagement is critical to achieving New York's CLCPA goals and is committed to robust community engagement. Regarding the development of LIPA's 2023 IRP, it was a collaborative process led by PSEG Long Island on behalf of LIPA, with assistance and contributions from utility consultants and industry experts from Brookhaven Science Associates and Stony Brook University. LIPA also endeavored to provide avenues for public engagement and input, including (i) holding a 30-day public comment period on LIPA's Draft IRP Scope of Work on June 23, 2021, where it received 18 comments from the public, (ii) creating an IRP webpage, where it provided information to the public, and where the public could provide input via email; (iii) holding various Board Meetings where the status of IRP development was discussed and which were open to the public; (iv) releasing the IRP Summary Guide in a plain English format to allow a more robust stakeholder engagement process; and (v) holding three public comment sessions in February 2024, where LIPA received the public and written comments noted herein.

LIPA recognizes that New York State's clean energy transition is a monumental undertaking that will impact all New Yorkers and that members of our disadvantaged communities are most at risk.

Consequently, LIPA intends to fully comply with and follow all the guidelines developed by the state's Climate Justice Working Group.

In terms of data availability and transparency, LIPA seeks to make as much of that data available as possible. A significant amount of data and information is provided in LIPA's IRP Summary Guide in an easy-to-read format, including graphics that illustrate the issues and considerations.

The IRP Summary Guide discusses all the key drivers of the results. Several proprietary models and certain counterparty information are embedded within the IRP analysis. Members of the public should feel free to contact LIPA if there is specific information they are seeking.

8) Transmission and Distribution

There were comments related to the benefits of a bi-directional transmission grid, the potential benefits of burying distribution lines, and the need for more discussion in the IRP on the latter topic.

LIPA Staff Response:

LIPA recognizes the importance of bi-directional transmission – and distribution – infrastructure. Such capability increases efficiency and reliability and reduces overall costs by making increased use of infrastructure assets. This can be particularly true at the distribution level as the increased implementation of distributed energy resources likely will change the power flows on the network in a dynamic manner, necessitating an increase in hosting capacity (i.e., the ability to accommodate increased capacity on the network) along

with the implementation of advanced grid controls. LIPA is investing to increase distribution hosting capacity by 700 MW, supporting further deployment of distributed energy resources.

Regarding the burying of distribution and transmission lines, while such efforts increase reliability by making circuits less susceptible to weather events, it is generally not cost-effective to bury existing lines.

A greater reliability contribution could be obtained for the dollars from other investments. That said, LIPA routinely considers line burial where circumstances warrant consideration.

9) Other

One commenter inquired whether some of LIPA's strategic objectives related to operational performance (e.g., reliability and resiliency, customer experience) were benchmarked to publicly owned or investor-owned utilities. A single comment related to the apparent failure of the third-party service provider model.

LIPA Staff Response:

In terms of measuring its performance as a company, LIPA compares its performance against both public and investor-owned utilities in many areas, including customer service, reliability, IT and cyber security, safety, electric rates, and other areas². For example, LIPA aims to be in the top 10% of similarly sized utilities nationwide with above-ground networks for reliability. LIPA aims to be in the top 25% among similarly sized utilities in the northeast for customer satisfaction. LIPA releases numerous reports on its website containing this information, including quarterly and annual reports on performance metrics and work plans, which include benchmarks and historical data. LIPA is also undertaking a comprehensive review of the third-party service provider model.

Acknowledgments

LIPA's 2023 IRP planning process has been a collaborative effort developed by LIPA's service provider, PSEG Long Island and LIPA Staff, with assistance from utility consultants and industry researchers, who provided input on emerging technologies such as advanced battery storage. LIPA would like to recognize the valuable contributions provided by PSEG Long Island, The Brattle Group, M. J. Beck Consulting, Brookhaven Science Associates, and Stony Brook University.

Conclusion and Next Steps

LIPA Staff reviewed the public comments and concluded that the comments are constructive, warrant due consideration during the implementation of IRP initiatives, and will help inform future in-depth assessments of major projects and programs and planning for procurements.

However, none of the comments change the IRP's findings and key initiatives. Accordingly, Staff recommends carrying out the key actions detailed in the 2023 IRP.

After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved⁴ by the Trustees.

1838. RESOLUTION APPROVING THE KEY FINDINGS AND INITIATIVES OF THE 2023 INTEGRATED RESOURCE PLAN

WHEREAS, LIPA launched the 2023 Integrated Resource Plan with a presentation at its June 23, 2021 Board meeting and by taking public comments on the scope of work; and

WHEREAS, the LIPA Board reviewed the public comments and approved the scope of work for the 2023 IRP at its September 22, 2021 Board meeting; and

WHEREAS, LIPA launched the 2023 Integrated Resource Plan public comment period with a presentation by LIPA staff to the Board at its November 15, 2023 meeting, describing the objectives, key challenges and timeline for the IRP; and

WHEREAS, the Board has reviewed the 2023 IRP key findings and initiatives, public stakeholders have submitted comments on the IRP, and the Board has determined that none of the comments warrant a change in the IRP's findings and key initiatives.

NOW, THEREFORE, BE IT RESOLVED, that the findings and key initiatives of the 2023 IRP are hereby approved, and the Chief Executive Officer is authorized and directed to implement the IRP key initiatives, as outlined in the IRP Summary Guide.

Chair Edwards stated that the next item on the agenda was the Time-of-Day Rate Transition Update to be presented jointly by Sarah Mandli and Lou DeBrino.

Ms. Mandli and Mr. DeBrino presented the Time-of-Day Rate Transition Update and took questions from the Trustees.

⁴ Trustee Manning abstained.

Chair Edwards stated that the last item on the agenda was the PSEG Long Island Operating Report to be presented by David Lyons and PSEG Long Island staff.

Mr. Lyons and staff presented the PSEG Long Island Operating Report and took questions from the Trustees.

Chair Edwards then announced that the next Board meeting is scheduled for Wednesday, April 17, 2024.

Chair Edwards then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 3:26 p.m.
