

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 328th MEETING

HELD ON JANUARY 23, 2025

The Long Island Power Authority (“LIPA”) was convened for the three hundred and twenty-eighth time at 11:02 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on January 17, 2025, and electronic notice posted on the LIPA’s website.

The following LIPA Trustees were present in person:

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

Representing LIPA, in person, were John Rhodes, Acting Chief Executive Officer; Bobbi O’Connor, General Counsel and Board Secretary; Donna Mongiardo, Chief Financial Officer; Ken Kane, Senior Vice President of Investment Planning; Billy Raley, Senior Vice President of Transmission and Distribution; Tom Simpson, Director of Power Supply Planning; Jen Hayen, Director of Communications; and Bill Robins, Senior Digital 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; and Jessica Tighe, Director of 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 328th meeting of the Long Island Power Authority Board of Trustees and asked Trustee Lovas to lead the Pledge of Allegiance.

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

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

1884. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE DECEMBER 18, 2024 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on December 18, 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.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to adopt a resolution: (i) approving the annual report on the Board Policy on Audit Relationships (the "Policy"); (ii) finding that LIPA has complied with the Policy; and (iii) approving certain amendments to the Policy, which resolution is attached hereto as "Exhibit A".

Board Policy on Audit Relationships

F&A Committee, in its Charter, was delegated the responsibility for reviewing LIPA's audit- related policies and practices.

The Policy defines the expectations of the Board regarding the existing authority granted to the F&A Committee for, among other matters, (i) selecting an independent certified public accounting firm to conduct annual audits of LIPA; (ii) the annual review of the audit plan as well as the Charter, activities, staffing, budget, and organizational structure

of Internal Audit, and confirming the independence of the internal auditors; (iii) monitoring, in consultation with the Chief Audit Executive ("CAE"), the significant findings of internal audit reports and the status of the implementation of management's action plans in response to such audit findings; (iv) setting forth the procedures for the Board of Trustee's receipt, review and implementation of any recommendations in a Management and Operations Audit conducted by the New York State Department of Public Service ("DPS").

Since the last review of the Policy, the following activities have been performed consistent with the Policy:

Independent External Auditor

- The Board previously selected KPMG as the independent certified public accounting firm to conduct annual audits of LIPA. In March 2024, the F&A Committee met with KMPG to complete its annual 2023 annual audit. KPMG reported no significant findings as a result of its audit.

Internal Auditors

- Internal Audit conducted audits as identified in the annual audit plan and special projects requested by the F&A Committee or management. Internal audit activities were performed in accordance with the Institute of Internal Auditors' Mandatory Guidance.
- In December 2024, the F&A Committee reviewed and approved the audit plan, activities, staffing, budget, and organizational structure of the internal audit department.
- The CAE met with the F&A Committee at each Board meeting to discuss internal audit activities and progress toward remediation of Management Action Plans in response to internal audit findings.
- The CAE met with the F&A Committee at least twice per year in executive sessions independent of other LIPA staff and reported significant internal audit findings to the Board in a timely manner.

DPS Management and Operations Audits

- As required by the LIPA Reform Act, DPS procured NorthStar Consulting Group to conduct the Management and Operations audit, which concluded on March 22, 2024 with the filing of a final report containing 80 individual recommendations in 15 areas of management, oversight, and operations. In April 2024, DPS briefed the Board on this final audit report and key recommendations.
- During the April 2024 Board meeting, the Board of Trustees directed the LIPA and PSEG Long Island staff to implement the audit report's recommendations in accordance with the timeframe specified under such audit.
- LIPA staff will provide an annual update on the status of the 2022 recommendations starting with the Board's December 2025 meeting.

Annual Review of the Policy

The proposed changes to the Board Policy include minor stylistic changes. The proposed changes to the Policy are more specifically set forth in Exhibit "B".

Recommendation

Based upon the foregoing, I recommend the approval of the adoption of the resolution in the form attached hereto as Exhibit "A".

1885. RESOLUTION APPROVING THE ANNUAL REPORT AND AMENDMENTS TO THE LONG ISLAND POWER AUTHORITY BOARD POLICY ON AUDIT RELATIONSHIPS

WHEREAS, the Board of Trustees (the "Board") of Long Island Power Authority ("LIPA") is responsible for setting LIPA's audit relationship policy and overseeing its fulfillment; and

WHEREAS, the Finance & Audit Committee (the "F&A Committee"), in its Charter, was delegated the responsibility of reviewing LIPA's policies regarding audit relationships; and

WHEREAS, in LIPA's By-Laws, LIPA's Board delegated certain responsibilities to the Chief Executive Officer for managing and directing LIPA Staff.

WHEREAS, the F&A Committee has recommended approval of the annual report and amendments to the Audit Relationships Policy.

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

BE IT FURTHER RESOLVED, that consistent with the accompanying memorandum, the Board hereby approves the changes to the Policy that are reflected in Exhibit "B".

Chair Edwards stated that the next item on the agenda was the Chief Executive Officer's Report to be presented by LIPA's Acting Chief Executive Officer, John Rhodes.

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

Chair Edwards then opened the Board meeting to public comments.

After hearing all public comments, Chair Edwards stated that the next 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 stated that the next item on the agenda was the Consideration of Approval of the Annual Review of the Board Policy on Public Policy Transmission Planning to be presented by Tom Simpson.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees (“the Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution: (i) approving the Annual Report on the Board Policy on Public Policy Transmission Planning (“the Policy”); and (ii) finding that LIPA has complied with the Policy, which resolution is attached as Exhibit “A.”

Background

The Board originally approved the Policy on Public Policy Transmission Planning in May 2018. The Policy was last amended on June 24, 2020. LIPA Staff has reviewed the Policy for this year’s annual review and recommends no changes at this time.

In March 2021, the New York Public Service Commission (“PSC”) declared that increasing Long Island’s interconnections with New York City and Westchester County is a Public Policy Transmission Need (“PPTN”) driven by the interconnection of offshore wind. Thereafter, the New York Independent System Operator (“NYISO”) solicited proposals for transmission projects to satisfy the Long Island Offshore Wind Export PPTN (“LI PPTN”) and selected the Propel T-51 project. The Propel T051 project consists of three new 345 kV submarine cables crossing the Long Island Sound, as well as several new underground 345 kV cables within the LIPA system and associated upgrades to existing 138 kV lines. While the LI PPTN process was ongoing, NYISO commenced the start of its 2022-23 public policy transmission planning cycle on August 31, 2022.

LIPA and PSEG Long Island evaluated potential needs beyond those being addressed by the LI PPTN solicitation and determined that an additional PPTN could not reasonably be ascertained until after selection was complete for the LI PPTN.

Recent Developments

In August 2024, NYISO commenced the start of its 2024-2025 public policy transmission planning cycle. LIPA and PSEG Long Island evaluated potential public policy transmission needs on Long Island beyond those being addressed by the LI PPTN solicitation and determined that it is premature to identify an additional PPTN at this time.

The following provides summaries and excerpts of the Stakeholder Proposals and comments related to Long Island. Each of the proposals generally cites the Climate Leadership and Community Protection Act (“CLCPA”) goals as the driver of ongoing transmission needs:

- **Atlantic Shores Offshore Wind LLC. Comments:** The proposal states that “the Draft [Clean Energy Standard] (“CES”) Program Review thus recommended that the Commission approve procurement flexibility such that NYSERDA and DPS Staff be given the authority to seek more than 9 GW of offshore wind.” Additionally, it was stated “given the need to effectively advance the CES Program to meet CLCPA mandates, there demonstrably is a Public Policy Requirement that drives the need for transmission.”
- **The City of New York’s Comments:** The comments generally advocated for a new “transmission path within Zone J,” which “could provide connection points for new tie lines between Zones J and K.”
- **Vineyard Offshore Comments:** The comments stated that Vineyard Offshore “encourages urgency to prioritize additional proposals of projects to unbundle potential capacity interconnecting into Zone K and support the interconnection of 9 GW of offshore wind by 2035.” Vineyard Offshore also commented that “Zone K will continue to experience significant limitations to deliver renewable power from these areas to consumers.”

LIPA has reviewed the three proposals and, at this time, does not recommend identification of further transmission needs for the Long Island Transmission District beyond those already selected under the 2020-2021 Public Policy Solicitation Process.

LIPA believes that until New York State officially adopts an Offshore Wind target greater than 9 GW, current PPTN processes such as the LI PPTN, the ongoing NYC PPTN process, and the current cycle of the Coordinated Grid Planning Process (“CGPP”) are concluded, it is premature to identify additional transmission needs on Long Island.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by the adoption of the resolution in the form attached hereto as Exhibit “A.”

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees approved the following resolution.

1886. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON PUBLIC POLICY TRANSMISSION PLANNING

WHEREAS, the Board Policy on Public Policy Transmission Planning (“the Policy”) was originally approved by Resolution No. 1414, dated May 23, 2018; and

WHEREAS, the Policy was last amended by Resolution No. 1540, dated June 24, 2020; and

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

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

Chair Edwards stated that the next item on the agenda was the Consideration of the Selection of a Firm to Provide Budget Review Process Services to be presented by Ken Kane.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution, attached hereto as Exhibit “A”, authorizing the Acting Chief Executive Officer, or designee, to engage 4Liberty, Inc. (“4Liberty”) to provide Budget Review services to LIPA for a term not to exceed five (5) years.

Background

LIPA is seeking qualified candidates to perform a review and propose actionable improvements to the current Operations & Maintenance (“O&M”) and capital budget process for Transmission and Distribution (“T&D”) services currently outsourced to LIPA’s Service Provider.

The scope of work includes a review of the current state activities and the development of a roadmap to a future state that incorporates industry best practices. The consultant is

expected to prepare a gap analysis and recommend practical changes such that the future state of the budget and reporting processes provide timely insight into the activities and related budgets afforded the Service Provider under the existing Operations Services Agreement between LIPA and its Service Provider.

For capital budgeting, the consultant is expected to perform a deep dive analysis that identifies the activities currently undertaken by the Service Provider from a project's conception through completion. Recommend practical improvements to enhance the process providing LIPA real time insight into capital planning, approvals, and spending.

With regards to the T&D O&M budgeting process, the consultant shall review how operating decisions are made daily to achieve efficiencies as well as how analysis of O&M costs impact long-term capital decisions. The consultant shall also review and provide recommendations for improvements related to the "blanket work orders" and "programs" as well as the O&M budgets not covered by "blankets" or "programs."

Discussion

On November 5, 2024, LIPA issued a Request for Proposals ("RFP") seeking qualified firms to provide budget review services to LIPA. The RFP was distributed to eight firms, advertised in the New York State Contract Reporter, and posted on LIPA's website. The RFP was also posted to LIPA's Solicitation Online Portal (Bonfire) which is where vendors are invited to respond through online notifications.

On or about December 10, 2024, three firms responded to the RFP. LIPA staff formed a selection committee to review the responses. The selection committee performed a technical evaluation by scoring each proposal, while LIPA's procurement staff evaluated the cost and the Minority and Women-Owned Business Enterprises and Service-Disabled Veteran-Owned Business criteria. 4 Liberty is a Woman-Owned Business in the state of California and is pending New York State MWBE Certification Based upon the review of the submissions, and an assessment of LIPA's needs, the selection committee determined that 4Liberty was best suited to serve LIPA for this project.

This recommendation was based on the strengths of the firm's ability to provide the required range of services within the timeframes specified by LIPA, the firm's demonstrated record of experience in the field, and the professional qualifications and experience of the team assigned to the audit by 4Liberty. 4Liberty's pricing was also determined to be reasonable given the scope of services to be provided to LIPA.

Recommendation

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

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees approved the following resolution.

1887. RESOLUTION AUTHORIZING THE ENGAGEMENT OF A FIRM TO PROVIDE BUDGET REVIEW SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Acting Chief Executive Officer or designee be, and hereby is, authorized to engage 4Liberty to provide Budget Review services to the Long Island Power Authority with a contract for a period not to exceed five years.

Chair Edwards stated that the next item on the agenda was the Consideration of Authorization to Exercise LIPA's Schedule F Rights Under the 1997 Merger Agreement with Respect to Real Property Located in Far Rockaway to be presented by Billy Raley.

The following action item was presented, and questions were taken from the Trustees.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is being asked to authorize the Acting Chief Executive Officer or his designee to exercise LIPA's rights under Schedule F of the 1997 Merger Agreement with respect to real property located in Far Rockaway.

Background

In 1998, LIPA purchased the Long Island Lighting Company ("LILCO") pursuant to the Merger Agreement, dated June 26, 1997 ("Merger Agreement"). National Grid Generation LLC ("National Grid") is one of the successors in interest with obligations under the Merger Agreement.

LILCO's generation plants were transferred to KeySpan Generation LLC, now National Grid. Pursuant to Schedule F of the Merger Agreement, LIPA has several rights, including the right to purchase or lease certain land located at certain of National Grid's generation plants for its own generation facilities and a right of first refusal before National Grid Generation can sell its generating facility sites.

Discussion

LIPA has received notice from National Grid of its intention to sell certain real property located in Far Rockway, which is subject to LIPA’s right of first refusal pursuant to Schedule F of the Merger Agreement. LIPA Staff has determined that it is in the interest of Long Island electric customers to acquire the real property in Far Rockaway that National Grid intends to sell. As part of the 2025 budget, the Board previously allocated funds for property purchases.

Recommendation

Based on the foregoing, I recommend that the Trustees authorize the Acting Chief Executive Officer or his designee to take all actions necessary or advisable to exercise LIPA’s rights under Schedule F of the Merger Agreement, including LIPA’s right of first refusal with respect to Real Property Located in Far Rockaway.

After questions and a discussion by the Trustees, upon a motion duly made and seconded, the Trustees approved the following resolution.

1888. AUTHORIZATION TO EXERCISE LIPA’S RIGHTS UNDER SCHEDULE F OF THE 1997 MERGER AGREEMENT TO PURCHASE REAL PROPERTY IN FAR ROCKAWAY

WHEREAS, LIPA and National Grid Generation LLC (“National Grid”), as successor in interest to BL Holdings Corp., are parties to the Merger Agreement, dated June 26, 1997, among BL Holding Corp., Long Island Lighting Company, Long Island Power Authority and LIPA Acquisition Corp. (“Merger Agreement”); and

WHEREAS, the Merger Agreement gives LIPA rights, defined in Schedule F to the Merger Agreement, with respect to acquiring certain property currently owned by National Grid.

NOW, THEREFORE, BE IT RESOLVED, that the Acting Chief Executive Officer or his designee be and hereby is authorized to take all actions necessary or advisable to exercise LIPA’s rights under Schedule F of the Merger Agreement with respect to real property located in Far Rockaway.

Chair Edwards then announced that the next Board meeting is scheduled for Thursday, March 27, 2025.

Chair Edwards then asked for a motion to adjourn to Executive Session to discuss litigation matters and announced that no votes would be taken and that the Board would not be

returning to Open Session. The motion was duly made and seconded, and the following resolution was adopted:

1889. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

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

At approximately 12:03 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.
