



Year-End Report on 2024 PSEG Long Island Performance Metrics

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EXECUTIVE SUMMARY

This annual report presents LIPA's evaluation of PSEG Long Island's performance against the 2024 year-end metrics, reflecting LIPA's ongoing oversight of its service provider, consistent with the requirements of the Second Amended and Restated Operations Services Agreement (OSA). This evaluation includes a detailed assessment of the incentive compensation claim submitted by PSEG Long Island to LIPA on March 31, 2025.

PSEG Long Island's compensation is directly linked to the delivery of meaningful results for LIPA's customers through a series of Performance Metrics. These metrics are designed to advance the Board's strategic direction, as outlined in LIPA's [5-Year Strategic Roadmap](#), and to address identified gaps between current performance and target levels of service established by the [Board's policies](#).

[The 2024 Performance Metrics](#) covered sixty-one (61) specific goals, which LIPA monitored continuously throughout the year, from January 1, 2024, through December 31, 2024. This report reflects the consensus between LIPA and PSEG Long Island on the achievement status of all but one of these metrics, T&D-26, where LIPA's own assessment reflects a failure to meet a meaningful budget deliverable. **LIPA's assessment results in a total incentive compensation award for 2024 of \$15,486,443.85, a reduction of \$258,475.98 from PSEG Long Island's March 31 claim.**

The LIPA Board of Trustees provides strategic direction to LIPA's Executive Management through a set of Governance Policies that define LIPA's mission, vision, and the strategic outcomes expected from management. These policies are translated into specific, actionable multi-year projects through LIPA's 5-Year Roadmaps, which guide critical areas of the business, including Customer Experience, Transmission and Distribution, Information Technology, Performance Management, and Finance. Additional Roadmaps for Business Services, Power Supply, and Clean Energy are under development.

In summary, this report provides the year-end assessment of PSEG Long Island's performance against these metrics, ensuring alignment with LIPA's long-term strategic goals and reinforcing the commitment to delivering exceptional service to Long Island's electric customers.

2024 PERFORMANCE METRICS

The OSA between LIPA and PSEG Long Island includes \$20 million¹ of Variable Compensation at risk based on performance standards. In 2022, the performance standards were negotiated between LIPA and PSEG Long Island as part of the reformed OSA. Starting in 2023, the performance standards are set by LIPA, with an independent recommendation to the LIPA Board of Trustees (Board) by the Department of Public Service (DPS), the staff arm of the State's Public Service Commission.

Metrics are designed to be achievable, objectively verifiable performance levels. The Board budgets the funds to achieve this performance, tying realistic plans and budgets to measurable yearly outcomes. **These performance standards ensure that PSEG Long Island's compensation is tied to delivering meaningful results for LIPA's customers.**

PSEG Long Island will submit to LIPA its evaluation of its performance on each metric within 90 days of the close of the contract year. Under the LIPA Reform Act, LIPA is responsible for the metric validation of PSEG Long Island's performance and then providing its evaluation to DPS, which independently reviews LIPA's evaluation before LIPA pays any Variable Compensation. PSEG Long Island can utilize dispute resolution procedures when setting performance metrics and budgets at the beginning of each year and in the final determination of whether a metric was achieved.

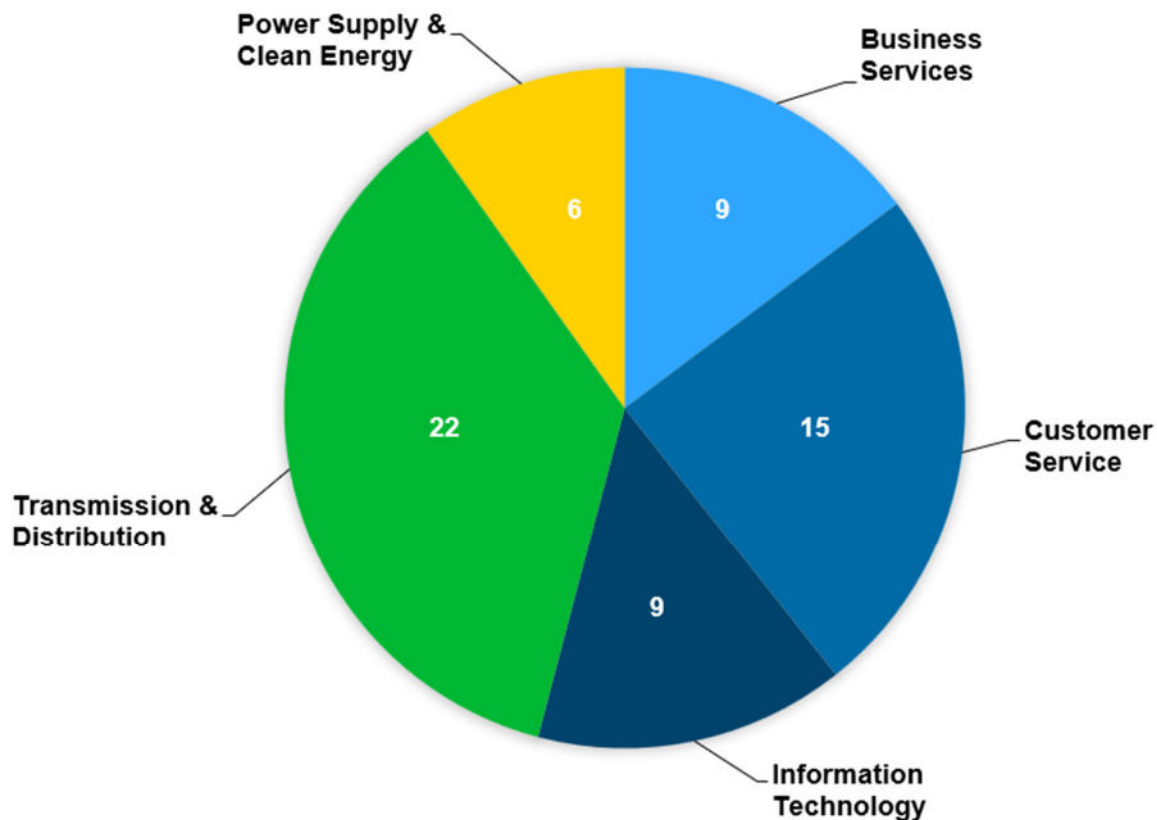
In 2024, LIPA decreased the number of metrics from ninety-three (93) to sixty-one (61) due to performance improvements in Transmission and Distribution, Customer Services, and other scope areas. For instance, PSEG Long Island has base programs to meet top decile scores for the OSHA Recordable Incidence and Days Away rates. The implementation of smart meters discontinued the need for the following metrics: Billing – Inactive Accounts Long-Term Estimates (LTEs) (CS-06), Billing – Active Accounts Long-Term Estimates (LTEs) (CS-07), Unauthorized Use/Advanced Consumption Resolution (CS-08), and Billing Exception Cycle Time (CS-09).

PSEG Long Island also implemented improvements that strengthened their performance in Utility Marketing Effectiveness (BS-18), Reputation Management and Positive Media Sentiment (BS-19), Reputation Management – Share of Voice (BS-20), and Social Media Engagement and Following (BS-21). Additionally, PSEG Long Island implemented improvements in outside plant asset records (BS-24) and updated the Low and Moderate Income (LMI) Tariff and Billing at the end of 2023 (BS-32).

The **sixty-one (61) performance standards** that constitute the [2024 Performance Metrics](#) are distributed across all the management services provided to LIPA and its customers. They include numerous improvements to customer service, reliability, resiliency, information technology, clean energy, and other customer improvements distributed across five scopes. The details of the sixty-one **(61) metrics** are available on the [LIPA Website](#).

¹ The amount of Variable Compensation including the CPI for 2024 is \$22,975,641.33

FIGURE 1: 2024 PERFORMANCE METRICS DISTRIBUTION BY SCOPE



PERFORMANCE METRIC REVIEW PROCESS

All metrics fall into one of two categories – Qualitative or Quantitative:

- The thirty-eight (38) **Qualitative Metrics** are project-oriented initiatives incorporating one or more required deliverables with defined target dates. This also includes Hybrid Metrics, which have both Qualitative and Quantitative deliverables.
- The twenty-three (23) **Quantitative Metrics** specify predefined numerical measurements of performance.

LIPA staff continuously monitor PSEG Long Island's progress on the metrics throughout the year. LIPA has assigned a Project Manager (PM) to lead the oversight process for each metric and other appropriate SMEs to assist with the validation activities. In addition, an Executive Sponsor (ES) from LIPA's senior management oversees the work of the metric validation team.

Qualitative Metrics are monitored and tracked via a process overseen and supported by the LIPA Performance Management team.

The Performance Management team (formally known as the Enterprise Project Management Office) has developed an automated tracking system to manage the hundreds of deliverables required by the metrics. PSEG Long Island staff upload deliverables directly to the system, which initiates workflows for LIPA review. A LIPA Project Manager and/or the appropriate SMEs review each deliverable. Each metric's status is reported to LIPA senior management on an ongoing basis through a dashboard. The performance management system provides transparency and traceability, with time-stamped deliverables, activity history and comments, and real-time LIPA, PSEG Long Island, and DPS access.

Deliverables for Qualitative Metrics go through the following main stages of review:

- **PSEG Long Island Submission:** To meet the metric standards, PSEG Long Island must submit the required deliverables to the tracking system by the target due date, per all requirements specified in the metric. LIPA allows PSEG Long Island to submit an Exception Request to any deliverable. LIPA reviews all Exception Requests and grants them if deemed reasonable, justified, and in the best interests of achieving the metric objective.
- **LIPA Review:** LIPA reviews all submitted deliverables for compliance with metric standards and requirements. Since metrics aim to improve performance, LIPA will return unsatisfactory deliverables to PSEG Long Island for revision and resubmission if deemed necessary to achieve the metric objective.

Deliverables can have the following statuses:

- Review in Progress
- Approved
- Rejected
- Exception Requested
- Overdue

LIPA principally tracks **Quantitative Metrics** using scorecards submitted monthly by PSEG Long Island. LIPA conducts Scorecard Review Meetings at a scope or lower level with PSEG Long Island staff and DPS. PSEG Long Island also provides underlying data files for each Quantitative Metric, which LIPA staff reviews and validates.

The assigned PM and SMEs review Quantitative Metrics via a metric validation process for year-to-date (YTD) performance versus target, trending, and outlook for year-end performance. Further, LIPA monitors compliance with metric standards, requirements, calculations, and agreed-upon exceptions.

At year-end, performance on each Qualitative and Quantitative metric is evaluated against the established standards and requirements/targets for the metric, and LIPA decides on the final status and incentive award:

- **Met Metric Standards/Target** – All metric requirements were met in accordance with the established standards; performance qualifies for the full allocated incentive compensation.
- **Partially Met Metric Standards/Target** – If allowed for by the metric's terms and in accordance with those terms, metric requirements were partially met; performance qualifies for part of the allocated incentive compensation.
- **Did Not Meet Metric Standards/Target** – Mandatory metric requirements were not met, so performance does not qualify for incentive compensation.

Additionally, the OSA also contains certain **Gating and Default Metrics**, which are minimum performance levels related to reliability, customer service, cybersecurity, budgets, and emergency preparation and response that, if not met, can significantly reduce the available pool of compensation or permit LIPA to terminate the contract.

PERFORMANCE METRIC EXCEPTIONS

PSEG Long Island may request an exception to metric deliverable requirements; LIPA can provide consideration where requests are adequately justified. To date, PSEG Long Island has asked for 357 Exceptions. LIPA has approved 251 of the requested Exceptions, and 106 have been rejected. To the extent an Exception has been granted, performance is reported relative to the agreed-upon standards of the Performance Metric as modified by the Exception.

Exception Requests seek extensions to due dates and changes to project scopes, requirements, or methodology. For example, LIPA regularly provides PSEG Long Island with opportunities for corrective actions and resubmission of a deliverable, which may result in Exceptions when that resubmission occurs after a due date. PSEG Long Island has also sought extensions to due dates, citing delays due to external dependencies, among other reasons.

Exception Requests may also seek an exemption or waiver of a deliverable, making it no longer required. This can occur, for instance, when an extension to a project start is approved, rendering periodic status reporting before the new start date unnecessary.

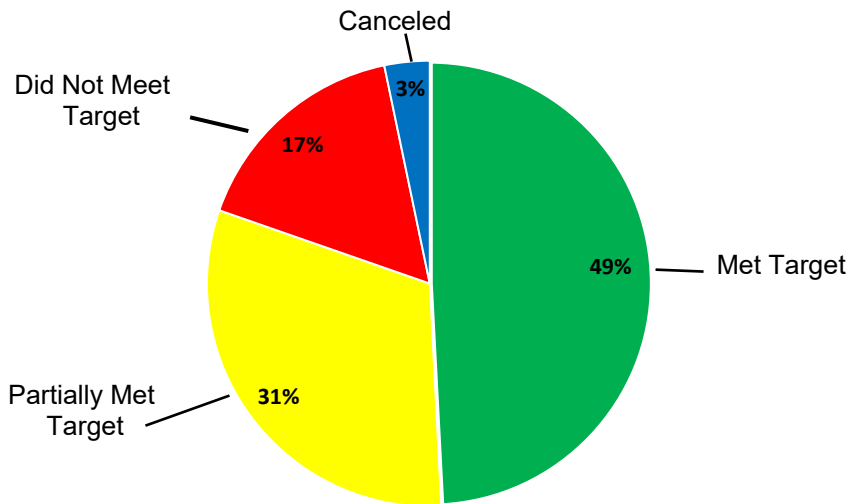
Exception Requests have also sought more fundamental changes to scope, requirements, or methodology. These changes are typically the result of further analysis or discovery as an initiative commences.

LIPA reviews all Exception Requests and grants them if deemed reasonable, justified, or in the best interests of achieving the metric objective. LIPA's primary goal is to utilize metrics to drive customer benefit and value throughout the year.

YEAR-END EVALUATION

Figure 2 summarizes the overall status of all sixty-one (61) Performance Metrics as of December 31, 2024. **LIPA evaluated the year-end performance of each metric and determined that thirty (30) of the sixty-one (61) Performance Metrics were met, nineteen (19) were partially met, ten (10) were not met, and two (2) were canceled.**

FIGURE 2: 2024 PERFORMANCE METRICS STATUS SUMMARY



Scope	# of Metrics	Met	Partially Met	Not Met	Canceled
Business Services	9	4	5	0	0
Customer Services	15	3	8	4	0
Information Technology	9	4	2	1	2
Power Supply & Clean Energy	6	5	1	0	0
Transmission & Distribution	22	14	3	5	0
Total	61	30	19	10	2

LIPA has worked with PSEG Long Island to ensure that metrics are objectively verifiable and that consensus exists across metrics in each scope area. This report reflects the consensus between LIPA and PSEG Long Island on the achievement status of all but one of these metrics, T&D-26, where LIPA's own assessment reflects a failure to meet a meaningful budget deliverable.

Based on LIPA's evaluation, PSEG Long Island qualifies for \$15,486,443.85 of Variable Compensation out of \$22,975,641.33 for 2024, or 67% of the total available compensation, as outlined below across each scope function.

Scope	Allocated Compensation	PSEGLI Claimed Compensation	LIPA Awarded Compensation	% LIPA Compensation Awarded
Business Services	\$3,446,346.19	\$2,638,752.41	\$2,638,752.41	77%
Customer Services	\$4,595,128.26	\$2,265,972.63	\$2,265,972.63	49%
Information Technology	\$3,446,346.21	\$1,861,026.95	\$1,861,026.95	54%
Power Supply & Clean Energy	\$2,297,564.14	\$2,251,612.85	\$2,251,612.85	98%
Transmission & Distribution	\$9,190,256.53	\$6,727,554.99	\$6,469,079.01	70%
Grand Total	\$22,975,641.33	\$15,744,919.83	\$15,486,443.85	67%

METRIC PERFORMANCE BY BUSINESS SCOPE

While some metrics produced very strong results, PSEG Long Island fully met 49% of the metrics for 2024. Despite some challenges, the metrics did prove to be a valuable tool for performance management and oversight. In general, we find overall improvements in responsiveness and engagement from PSEG Long Island, driven by a desire to meet the metrics and produce positive results for customers. Even for initiatives where the outcomes were insufficient to satisfy the metric, there were often beneficial results that likely would not have been achieved in the absence of the metrics. Most importantly, the metric management process provided much greater visibility into the progress of projects and initiatives and helped to identify specific areas of weakness, providing valuable insights to LIPA and PSEG Long Island management in efforts to improve performance.

Improving PSEG Long Island's organizational project management capabilities will continue to be a focus. Among the five scope areas, Customer Services had the weakest performance, with only 20% of metrics being fully met, followed by Business Services, with 44% of metrics being fully met.

Below is a detailed discussion of performance for each scope area and individual metric.

BUSINESS SERVICES

In 2024, PSEG Long Island met four (4) of the nine (9) Business Services metrics, and the other five (5) were only partially met. The total compensation awarded to PSEG Long Island for the Business Services scope of work is \$2,638,752.41 out of the potential \$3,446,346.19 compensation.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
BS-05	Full-Time Vacancy Rate	\$919,025.65	Partially Met	\$689,269.24
BS-07	Implement Affiliate Service Remediation Plans and Transition Plans	\$919,025.65	Partially Met	\$634,127.70
BS-13	Information Request (IR) Responses	\$344,634.62	Met	\$344,634.62
BS-22	Timely, Accurate, and Supported Storm Event Invoicing	\$172,317.31	Met	\$172,317.31
BS-34	Improve Budgeting, Billing, and Collection Efforts for Reimbursable Projects	\$172,317.31	Partially Met	\$34,463.46
BS-35	Implement Budget Process Improvements	\$402,073.72	Partially Met	\$281,451.61
BS-38	Improve the Rate and Tariff Change Implementation Process	\$172,317.31	Met	\$172,317.31
BS-40	Implement Improvements to Budget Process Using New Budget System	\$172,317.31	Met	\$172,317.31
BS-41	PJD and Capital Budget Process Improvements	\$172,317.31	Partially Met	\$137,853.85

BS-05 – Full-Time Vacancy Rate

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	80%	100%	Partially Met	\$689,269.24

The objective of this metric was to obtain the budgeted full-time headcount identified as necessary to achieve operational objectives within the identified categories and to minimize expenses related to supplemental resources such as temporary employees, consultants, affiliate employees, etc. PSEG Long Island met four (4) out of the five (5) targets and, therefore, will receive 75% of the total compensation value. The Information Technology vacancy rate was not met this year, but the overall Transmission & Distribution, Business Services, and Customer Services targets were met.

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	68%	100%	Partially Met	\$634,127.70

This metric ensured that PSEG Long Island implemented the Remediation Plans or, to the extent required, Transition Plans for Affiliate Services provided by PSEG Services Corporation efficiently and effectively. PSEG Long Island completed the transition of Procurement and is in the process of transitioning Information Technology, which will continue into 2025. Transition plans for Human Resources and all other departments were provided but not implemented. PSEG Long Island partially met this metric for 2024.

BS-13 – Information Request (IR) Responses

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	94%	Met Metric	\$344,634.62

This metric aimed to ensure PSEG Long Island responded to information and document requests from LIPA from a broad range of areas for data, records, and information that PSEG Long Island generates or maintains in connection with providing operations services under the Second A&R OSA, within ten (10) days of such requests, except where LIPA agreed to exceptions to such response time. PSEG Long Island has responded to all fifty-eight (58) information requests within the required timelines. Their Legal department continues to reinforce to the business the importance of preparing and submitting all LIPA IR responses within the required timeframe. Reminders are sent out prior to the due dates so that the business is aware of their obligations. PSEG Long Island has met this metric.

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	90%	Met Metric	\$172,317.31

This metric ensured that PSEG Long Island provided timely, accurate, and appropriately supported storm event costs to LIPA. During 2024, PSEG Long Island had nineteen (19) storms, including seven (7) from 2023, for which the invoices were due to LIPA throughout 2024 and met the criteria under the metric. All monthly status reports were received on time, reviewed for accuracy, and approved by LIPA. PSEG Long Island has met this metric.

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

Metric Type	YTD Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	20%	100%	Partially Met	\$34,463.46

The objective of this metric was to improve budgeting, billing, and collection processes related to cost-sharing projects (e.g. DOT, LIRR) to ensure the least cost to LIPA's customers. PSEG Long Island provided a process document for an improved process, but the implementation was not completed; therefore, LIPA will award 20% of the compensation.

BS-35 – Implement Budget Process Improvements

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	70%	100%	Partially Met	\$281,451.61

This metric aimed to ensure PSEG Long Island successfully implemented critical elements of the 2023 LIPA Budget Process Review. PSEG Long Island provided 2024 Transmission & Distribution and Customer Contact Center Workforce Management Models that supported the Approved 2024 Operation & Maintenance (O&M) and Capital Budgets. However, PSEG Long Island did not supply detailed variance explanations and, therefore, did not fully achieve the metric.

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$172,317.31

The objective of this metric was to adopt improvements to ensure customers are billed rates and tariff changes accurately and in a timely manner. PSEG Long Island wrote a final Standard Operating Procedure for New Rates and Rate Updates that was approved by LIPA. This new process will be implemented immediately by the appropriate PSEG Long Island staff. PSEG Long Island has met this metric.

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$172,317.31

This metric ensured that PSEG Long Island fully utilizes LIPA's new budget system to maximize the benefits of improving budget development, monitoring, reporting, and analysis. PSEG Long Island's three value-added budget improvements were 1) to produce monthly deliverable reports from Hyperion, 2) to load O&M Access Database information into Hyperion for reporting, and 3) to load Capital Database information into Hyperion for reporting. PSEG Long Island plans to implement these improvements as we expand Hyperion and, therefore, have met this metric.

BS-41 – PJD and Capital Budget Process Improvements

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	80%	100%	Partially Met	\$137,853.85

This metric aimed to ensure PSEG Long Island successfully implemented critical elements of the 2023 LIPA Budget Process Review. PSEG Long Island developed internal policies and procedures to ensure Project Justification Documents (PJDs) are reviewed for quality, accuracy, and completeness before submission to LIPA. However, PSEG Long Island did not implement all the proposed improvements and will, therefore, receive partial compensation.

CUSTOMER SERVICES

In 2024, PSEG Long Island met three (3) of the fifteen (15) Customer Services metrics. Eight (8) metrics were partially met, and the other four (4) metrics were not met. The total compensation awarded to PSEG Long Island for the Customer Services scope of work is \$2,265,972.63 out of the potential \$4,595,128.26 compensation.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
CS-01	Delivery of Strategic Customer Experience & Billing Projects	\$574,391.03	Partially Met	\$430,793.28
CS-02	J.D. Power Customer Satisfaction Survey (Residential)	\$287,195.52	Partially Met	\$71,798.88
CS-03	J.D. Power Customer Satisfaction Survey (Business)	\$287,195.52	Partially Met	\$71,798.88
CS-05	Customer Transactional Performance	\$459,512.83	Partially Met	\$344,634.62
CS-10	Billing Cancelled Rebill	\$229,756.41	Met	\$229,756.41
CS-11	Contact Center Service Level with Live Agent Calls	\$344,634.62	Did Not Meet	\$0.00
CS-14	Net Dollars Written Off	\$344,634.62	Met	\$344,634.62
CS-15	Arrears Aging Percent > 90 Days Past Due	\$344,634.62	Did Not Meet	\$0.00
CS-17	LMI Program Participation	\$229,756.41	Did Not Meet	\$0.00
CS-19	Customer Complaint Rate	\$57,439.10	Met	\$57,439.10
CS-21	Outage Information Satisfaction	\$229,756.41	Partially Met	\$172,317.31
CS-25	Interactive Voice Response (IVR) Containment Rate	\$172,317.31	Did Not Meet	\$0.00
CS-28	Move Process Improvement	\$402,073.72	Partially Met	\$241,244.23
CS-30	Optimize Contact Center Resource Utilization	\$287,195.52	Partially Met	\$215,396.64
CS-31	Call Average Handle Time (AHT)	\$344,634.62	Partially Met	\$86,158.66

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	80%	100%	Partially Met	\$430,793.28

This metric's objective was to implement strategic customer projects to improve customer contact, payment, and billing experience and drive top-quartile performance. Four (4) of the five (5) projects were completed in 2024: CCaaS IVR Enhancements, Mobile App Move In Move Out Enhancement, Bidgely My Account/Mobile App Integration, and Kiosk Payment Agreement functionality. The fifth project, the Credit Card Improvement project, experienced vulnerabilities that the PSEG Long Island cyber team felt put implementing the production at risk. The project went into production on February 27, 2025, after these risks were remediated and retested and the final signoff was completed. PSEG Long Island partially met this metric due to the delayed production of the Credit Card Improvement Project and will receive 75% of the total compensation.

CS-02 – J.D. Power Customer Satisfaction Survey (Residential)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	2 nd Quartile/ 10 th Rank	1 st Quartile or 5 th Rank	Partially Met	\$71,798.88

PSEG Long Island developed a tactical plan to improve its overall satisfaction position, prioritizing items that will influence customers' perception and providing progress reporting on achieving the goal on a quarterly basis. However, they were unable to reach their targeted goal of 1st Quartile or 5th Rank, ending 2024 in 10th position, 2nd Quartile within the J.D. Power East Region, Large Segment. This is also a slight decrease in performance compared to their 2023 year-end ranking of 9th position. PSEG Long Island will receive 25% of the compensation for developing the tactical plan.

CS-03 – J.D. Power Customer Satisfaction Survey (Business)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	734/11 th Rank	6 th Rank	Partially Met	\$71,798.88

PSEG Long Island developed a tactical plan to drive toward the achievement of top-quartile customer satisfaction within the J.D. Power Business East Large segment. However, they were unable to reach their targeted goal of 6th rank, ending 2024 in 11th position, 4th Quartile within the J.D. Power East Region, Large Segment. This was also a decrease in performance compared to their 2023 year-end ranking of 9th position. PSEG Long Island will receive 25% of the compensation for developing the tactical plan. The 2nd Amended & Restated Operations Services Agreement (OSA) includes J.D. Power Customer Satisfaction Survey Residential and Business as Gating Metrics. Failure to achieve at least a third-quartile Customer Satisfaction result in either residential or business for any two consecutive years reduces the variable compensation pool by 15%. Although the compensation will not be affected in 2024, PSEG Long Island must improve its customer satisfaction ranking in 2025 to avoid reducing the variable compensation pool by 15%.

CS-05 – Customer Transactional Performance Measurement & Analysis

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	75%	100%	Partially Met	\$344,634.62

The objective of this metric was to drive continuous improvement initiatives among various channel transactions and inquiries through ongoing measurement and evaluation of customer satisfaction, transactional ease, and operational data, including customer behaviors, segmentation, utilization volume, and cost per transaction. Additionally, the metric included two projects: one to enhance the existing survey approach to expand real-time surveying and another to develop reports to marry the survey results with operational data to deepen customer insights. PSEG Long Island successfully met the metric requirements to collect and analyze customer feedback but only completed one (1) of the two (2) projects. The survey channels were expanded, but the data appending and automation piece was not implemented due to a lack of proper budgeting for the work. PSEG Long Island partially met this metric.

CS-10 – Billing – Cancelled Rebill

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0.15%	0.15%	Met Metric	\$229,756.41

This metric focused on providing an accurate bill to the customer the first time, not requiring a subsequent adjustment. PSEG Long Island met this target and will receive 100% incentive compensation.

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	41.3%	77.0%	Did Not Met	\$0.00

This metric measured the response of Customer Service Representatives to customer calls to promote efficient staffing and customer satisfaction. The target of answering 77% of calls within thirty (30) seconds was not achieved. Although service levels significantly improved between the beginning and end of the year, the year-end numbers were still substantially below the target. This metric will continue in 2025 to further drive improvement.

CS-14 – Net Dollars Written Off

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	\$20,403,370	\$20,836,630	Met Metric	\$344,634.62

Net Write-Offs measures the effectiveness of recovery efforts of uncollectible revenue. This metric is an overall measure of the possibility of the business incurring bad debts and represents a comparison between total sales and those in which payment is not recoverable and, therefore, written off as losses. PSEG Long Island met this target and actively managed the receivables and associated write-offs and recoveries to maintain a solid financial position.

CS-15 – Arrears Aging Percent > 90 Days Past Due

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	50.18%	48.58%	Did Not Meet	\$0.00

The goal of this metric was to maintain a solid financial position through effective management of aged receivables > 90 days. PSEG Long Island implemented a new strategy to collect arrears from segmented customers in the field, but it did not yield results that improved collection arrears and achieved the metric. The new collection strategy via segment did not illustrate an effort to build a process that adheres to NYS

regulations in a continued effort to reduce outstanding arrears. PSEG Long Island did not meet this metric in 2024 but will continue to monitor and design new initiatives to meet the target in 2025.

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	38,716	50,000	Did Not Meet	\$0.00

PSEG Long Island did not achieve the goal of enrolling 50,000 customers on the Household Assistance Rate (HAR) and increasing the Low to Moderate Income (LMI) program enrollment through automation with Nassau County DSS and/or NYC HRA in 2024. Customer advocacy hosted monthly customer webinars and conducted many outreach events throughout Far Rockaway, Nassau, and Suffolk counties.

CS-19 – Customer Complaint Rate

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	3.4/1 st Rank	1 st Rank	Met Metric	\$57,439.10

The objective of this metric was to minimize customer regulatory complaints. PSEG Long Island is in first place among the other electric and combined electric/gas utilities in New York State, with the fewest customer complaints registered with the NY Department of Public Service/Public Service Commission.

CS-21 – Outage Information Satisfaction

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	69.34%	71.12%	Partially Met	\$172,317.31

The goal of this metric was to improve customer satisfaction with PSEG Long Island's proficiency in providing information to customers who experience an outage. PSEG Long Island will receive 75% of the incentive compensation for their 6%-point increase from the 2023 year-end performance of 63.3%. J.D. Power recently recognized PSEG Long Island's efforts in the categories of Estimated Time of Restoration Accuracy and Emergency/Severe Weather Alert communications where they were tied for first position.

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

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	55.65%	62.08%	Did Not Meet	\$0.00

This metric's objective was to improve caller self-service provided by the IVR. The containment rate is the percentage of callers who interact with the IVR residential customer general inquiry line, business solution center line, and the emergency line, and leave the call without transferring to the Automatic Call Distribution (ACD) system. PSEG Long Island did not meet the target of improving caller utilization of the IVR. This metric will continue in 2025 to encourage self-service and reduce call volume pressure on the call center.

CS-28 – Move Process Improvement

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	60%	100%	Partially Met	\$241,244.23

The goal of this metric was to streamline and automate the residential move process so the transaction could be completed within one efficient interaction on the customer's channel of choice. Due to IT constraints in 2024, functionality for only two (2) channels, My Account and the public website, were completed, which only partially met the goal of the improvement project. Enhancements for the three (3) additional channels, IVR, chat, and the agent, were not implemented.

CS-30 – Optimize Contact Center Resource Utilization

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	75%	100%	Partially Met	\$215,396.64

This metric was to ensure the use of agent resource time in the most efficient and effective manner possible. PSEG Long Island and LIPA met monthly to discuss the metric and definition of the Utilization Report, which comprised two measurements: adherence and schedule efficiency. PSEG Long Island identified a canned report (Intraday) that was initially assumed to provide schedule efficiency. However, upon further review, it was discovered it did not. The only improvement that was implemented in 2024 was the realignment of shifts in December; therefore, PSEG Long Island partially met the metric.

CS-31 – Call Average Handle Time (AHT)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	471	376	Partially Met	\$86,158.66

The objective of this metric was to improve agent efficiency in responding to inbound customer phone inquiries by achieving pre-COVID (2019) and utility top-quartile benchmark performance levels. PSEG Long Island did not meet the AHT year-end target but will receive 25% of the incentive compensation for developing and executing a plan focused on the continued reduction of AHT. Nineteen (19) process improvements have been completed in this AHT initiative project in 2024.

INFORMATION TECHNOLOGY

In 2024, PSEG Long Island met four (4) of the seven (7) Information Technology metrics. Two (2) were partially met, and the other one (1) did not meet the metric. IT-03 and IT-10 were canceled, and the compensation was reallocated among the other IT metrics. The total compensation awarded to PSEG Long Island for the Information Technology scope of work is \$1,861,026.95 of the potential \$3,446,346.21 compensation.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
IT-01	IT Organizational Maturity	\$482,488.47	Met	\$482,488.47
IT-03	System Resiliency – Business Continuity Plans and Functional Drills	\$0.00	Canceled	\$0.00
IT-04	System and Software Lifecycle Management	\$137,853.85	Met	\$137,853.85
IT-05	Project Performance – In-flight Projects	\$413,561.54	Partially Met	\$206,780.77
IT-06	Project Performance – New 2024 Projects	\$551,415.39	Partially Met	\$413,561.54
IT-07	System Segregation	\$1,240,684.63	Did Not Meet	\$0.00
IT-08	Cyber Security Organization – Implementation	\$344,634.62	Met	\$344,634.62
IT-09	IT Planning – Ransomware Readiness and Response	\$275,707.70	Met	\$275,707.70
IT-10	System Resiliency – Disaster Recovery Plans and Testing	\$0.00	Canceled	\$0.00

IT-01 – IT Organizational Maturity

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$482,488.47

The maturity level of an organization provides a way to characterize its capability and performance. Under the CMMI model, capability levels apply to an organization's performance and process improvement achievements in individual practice areas, and maturity levels represent a staged path for an organization's performance and process improvement efforts based on predefined sets of practice areas. Level 3 is categorized as "Defined," which means the organization is proactive rather than reactive, with organization-wide standards providing guidance across projects, programs, and portfolios. PSEG Long Island has reached CMMI Level 3 maturity and met this metric.

IT-03 – System Resiliency – Business Continuity Plans and Functional Drills

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	0%	100%	Canceled	\$0.00

This metric required PSEG Long Island to participate in an assessment of the PSEG Long Island system resiliency program conducted by a LIPA-engaged third-party consultant and to implement the 2024 Action Plan developed by the consultant. While the third-party assessment was completed, additional time was needed to develop a comprehensive plan to resolve/mitigate the findings and recommendations from the third-party assessment. LIPA agrees with PSEG Long Island's recommendation to cancel this metric and reallocate the compensation evenly to the remainder of the Information Technology Scope Function Metrics.

IT-04 – System and Software Lifecycle Management

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$137,853.85

All IT and OT assets managed by PSEG Long Island on behalf of LIPA, including but not limited to computers, communications equipment, networking equipment, hardware, software, and storage systems, are within their active service life and under general support from the product vendor. PSEG Long Island has completed all planned work for 2024 in the LIPA-approved Refresh Plan and has met this metric.

IT-05 – Project Performance – In-flight Projects

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	64%	100%	Partially Met	\$206,780.77

This is a project-based metric aimed at improving organizational IT project management performance. PSEG Long Island met the requirements for seven (7) out of the eleven (11) or 64% of the included projects. Seven (7) projects that met the metric requirements are Salesforce Applications Replacement (CRM alternative), CG Concentrator Replacement, DIA-01, CDG Billing Automation – 2023 Scope, Cybersecurity Continuous Improvement for CNI – 2023 Scope, CyberArk for CNI – 2023 Scope, and Cybersecurity Continuous Improvement – 2023 Scope. Four (4) projects that did not meet the metric requirements are Industrial Defender – 2023 Scope, Sailpoint Access Control – 2023 Scope, Cybersecurity Program – 2023 Scope, and Dragos for CNI – 2023 Scope. PSEG Long Island will receive 50% of the compensation for the projects completed in 2024.

IT-06 – Project Performance – New 2024 Projects

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	82%	100%	Partially Met	\$413,561.54

This is a project-based metric aimed at improving organizational IT project management performance. PSEG Long Island met requirements for nine (9) out of the eleven (11) or 82% of the included projects. Nine (9) projects that met the metric requirements are GRC Tool Deployment, JMUX Replacement, Standard Data Platform Phase 2, Energy Management System (EMS) Upgrade, Replace Sonic ESB with MuleSoft, DER to DSCADA Communications Upgrade, OMS CAD System Enhancements 2024, Customer Insights and Home Energy Management, and Business Intelligence & Analytics for ETR, Storm, Transformer, etc. The Cybersecurity Continuous Improvement 2024 and IT Portfolio Planning System projects did not meet the

metric requirement. The Physical Security and Team Center Replacement projects were exempted via approved exception requests. PSEG Long Island will receive 75% of the compensation for the projects completed in 2024.

IT-07 – System Segregation

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	0%	100%	Did Not Meet	\$0.00

This metric covers the second year of the LIPA Board-approved IT System Segregation Plan. System Segregation was a core reform negotiated as part of the 2022 2nd Amended & Restated Operations Services Agreement, and progress has been tracked in metrics since then. The objective is to separate LIPA IT systems from PSEG New Jersey systems. No bundles were completed in 2024, so no compensation will be given.

IT-08 – Cyber Security Organization – Implementation

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$344,634.62

This metric aimed to build a cyber security organization under the PSEG Long Island CISO that is independent of PSEG New Jersey. PSEG Long Island completed the work planned for 2024 in the LIPA-approved Cyber Security Organization Project Implementation Plan and met the metric requirements.

IT-09 – IT Planning – Ransomware Readiness and Response

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$275,707.70

This metric addressed PSEG Long Island's Ransomware Readiness and Response preparedness. The 2024 metric required PSEG Long Island to develop a Project Implementation Plan (PIP) to implement the recommendations of a third-party assessment in line with the consultant's recommended timelines. PSEG Long Island completed the scope of work and met this metric in 2024.

IT-10 – System Resiliency – Disaster Recovery Plans and Testing

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	0%	100%	Canceled	\$0.00

This metric required PSEG Long Island to participate in an assessment of the PSEG Long Island System Resiliency program conducted by a LIPA-engaged third-party consultant and to implement the 2024 Action Plan developed by the consultant. While the third-party assessment was completed, additional time was needed to develop a comprehensive plan to resolve/mitigate the findings and recommendations from the third-party assessment. LIPA agrees with PSEG Long Island's recommendation to cancel this metric and reallocate the compensation evenly to the remainder of the Information Technology Scope Function Metrics.

POWER SUPPLY AND CLEAN ENERGY

In 2024, PSEG Long Island met five (5) of the six (6) Power Supply and Clean Energy metrics. The other metric was only partially met. The total compensation awarded to PSEG Long Island for the Power Supply and Clean Energy scope of work is \$2,251,612.85 of the potential \$2,297,564.14.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
PS&CE-01	Complete Integrated Resource Plan (IRP) Follow-on Activities	\$114,878.21	Met	\$114,878.21
PS&CE-03	Energy Efficiency Plan Savings	\$402,073.72	Met	\$402,073.72
PS&CE-05	Beneficial Electrification – Building Electrification	\$402,073.72	Met	\$402,073.72
PS&CE-08	Transition to New “Standard” Time-of-Day Residential Rates on an Opt-Out Basis	\$459,512.83	Partially Met	\$413,561.54
PS&CE-13	Heat Pump Strategy to Address Barriers to Customer Adoption	\$459,512.83	Met	\$459,512.83
PS&CE-14	Transportation Electrification Strategic Initiatives	\$459,512.83	Met	\$459,512.83

PS&CE-01 – IRP Follow-Up Assessment Energy Storage Needs Locational Evaluation – Scope of Work

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$114,878.21

After the publication of the 2023 Integrated Resource Plan (IRP), LIPA and PSEG Long Island identified a set of six (6) follow-up studies to help refine LIPA’s long-term strategy for its power supply portfolio. Four (4) of the studies were completed in 2023, while two (2) carried over into 2024 subject to Performance Metric PS&CE-01. The projects completed in 2024 were a steam turbine deactivation study (Q1 2024 deliverable) and an assessment of optimal locations for energy storage (Q2 2024 deliverable). The Steam Deactivation Study assessed reliability and operational impacts for the potential retirement of one or more LILCO legacy steam turbines and found that although steam turbine retirements would not necessarily trigger transmission system overloads, under certain planning scenarios, there would be inadequate on-island generation until the Propel NY Energy transmission project reaches commercial operation around 2030. The Energy Storage Locational Evaluation identified several LIPA substations with adequate spare capacity to host new utility-scale battery storage projects and found little variation in the economic performance of battery storage located at any of the points of interconnection evaluated in the study. PSEG Long Island completed all the required work and met this metric.

PS&CE-03 – Energy Efficiency Plan Savings

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	812,380	791,725	Met Metric	\$402,073.72

PSEG Long Island achieved the Energy Plan targeted savings, including any LIPA and DPS recommended changes to the savings target in alignment with achieving the clean energy goals. PSEG Long Island exceeded the Utility 2.0 energy efficiency target of 791,725 MMBTU by achieving 812,380 MMBTUs of savings. Efficient Products and Home Comfort significantly contributed to Residential MMBTU savings exceeding the year-end goal. Commercial Products, while behind the goal for the latter part of the year, caught up to the target year-end goal in December. Rebate and incentive spending in Disadvantaged Communities (DACs) accounted for 43.0% of the total incentive spend at \$23.2 million dollars, which exceeded the DAC spend target of 35%. Therefore, PSEG Long Island successfully completed this metric for 2024.

PS&CE-05 – Beneficial Electrification – Building Electrification

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$402,073.72

PSEG Long Island achieved the Beneficial Electrification targets from the Utility 2.0 filing, including any LIPA and DPS recommended changes to the savings target in alignment with the LIPA portion of Governor Hochul's two million home clean energy goals for the whole home electrification and home electrification ready target. Beneficial electrification for LIPA primarily focuses on electrifying home heating by converting fossil fuel-fired equipment to electric heat pumps. New York State's long-term goal of building decarbonization is unachievable without widespread heat pump adoption. PSEG Long Island was able to install 4,241 Whole House Heat Pump Housing Units compared to the target of 3,600. 59.6% of the total incentive spend was on Disadvantaged Communities/Low-Income Customers compared to the goal of 35%. Both initiatives were met and exceeded for 2024.

PS&CE-08 – Transition to New “Standard” Time-of-Day Residential Rates on an Opt-Out Basis

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	90%	100%	Partially Met	\$413,561.54

The new standard Time-of-Day Rate initiative is a crucial LIPA Board priority. Its successful implementation is critically important to achieving the *Grid of the Future*. The goal of this metric was to implement additional system enhancements to support the transition of residential customers to a standard Time-of-Day (TOD) rate and begin the rollout. PSEG Long Island achieved the system enhancement deliverables and expectations for Migration Group 1 outreach and rate conversion. The metric target for timely issuance of the customers' first bills on the TOD rate, however, was not met for Group 1, and therefore, PSEG Long Island will receive partial compensation.

PS&CE-13 – Heat Pump Strategy to Address Barriers to Customer Adoption

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$459,512.83

As discussed in PS&CE-05 above, New York State’s decarbonization goals involve widespread penetration of heat pumps. In general, residential customers can save money and achieve investment paybacks by converting to a heat pump system. This metric aimed to build upon our success and lay the groundwork for accelerated adoption over the coming decade. Implementing programmatic changes to address barriers to customer heat pump adoption is part of a multi-year beneficial electrification strategy. Key deliverables included developing a detailed plan for 2025 to achieve statewide heat pump electrification targets by 2030, broken down by segments (single-family, multifamily, LMI, and new construction). PSEG Long Island completed all four (4) projects in 2024, including the development of an outreach and engagement plan, the execution of a program review and design related to Supply Chain Development, executing a low-temperature water contractor recruitment initiative for air-to-water heat pump installations, and developing a detailed 2024-2025 plan to achieve Long Island’s portion of NYSERDA’s Building Efficiency and Electrification Model (BEEM) projections and gap support for supporting New York Beneficial Electrification Heat Pump goals for 2024-2030.

PS&CE-14 – Transportation Electrification Strategic Initiatives

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$459,512.83

The goal of this metric was to implement programmatic changes to address barriers to customer transportation electrification as part of a multi-year strategy. PSEG Long Island completed the Transportation Electrification Project Implementation Plan, Fleet Round Table, and EV Make-Ready Program Round Table, therefore meeting the metric.

TRANSMISSION AND DISTRIBUTION

In 2024, PSEG Long Island met fourteen (14) of the twenty-two (22) Transmission and Distribution metrics. Three (3) were partially met, and five (5) were not met. The total compensation awarded to PSEG Long Island for the Transmission and Distribution scope of work is \$6,469,079.01 out of the \$9,190,256.53 total compensation value.

Metric #	Metric Name	Allocated Compensation	YE Performance	Awarded Compensation
T&D-01	Asset Management Program Implementation – Asset Inventory	\$574,391.03	Did Not Meet	\$0.00
T&D-06	Primary Transmission Control Center (PTCC) Replacement	\$344,634.62	Met	\$344,634.62
T&D-07	System Average Interruption Duration Index (SAIDI) Reliability	\$430,793.28	Did Not Meet	\$0.00
T&D-08	System Average Interruption Frequency Index (SAIFI) Reliability	\$402,073.72	Did Not Meet	\$0.00
T&D-09	Momentary Average Interruption Frequency Index (MAIFI) Reliability	\$315,915.07	Met	\$315,915.07
T&D-10	Reduce Sustained Multiple Customer Outages (S-MCOs)	\$315,915.07	Partially Met	\$236,936.30
T&D-12	Reduce Momentary Multiple Customer Outages (M-MCOs)	\$315,915.07	Met	\$315,915.17
T&D-13	Safety – Serious Injury Incident Rate (SIIR)	\$516,915.07	Did Not Meet	\$0.00
T&D-18	Improve Reliability Through Work Mgmt Enhancements – Workforce Mgmt Plans	\$459,512.83	Met	\$459,512.83
T&D-24	Improve Reliability Through Vegetation Mgmt Work Plan – Cycle Trim and Trim-to-Sky	\$402,073.72	Met	\$402,073.72
T&D-26	Improve Reliability Through Vegetation Mgmt Work Plan – Hazard Tree Removal	\$516,951.93	Partially Met	\$258,475.97
T&D-30	Improve Resiliency Through Storm Hardening Work Plan – ACRV Commissioning Program	\$516,951.93	Met	\$516,951.93
T&D-31	Improve Resiliency Through Storm Hardening Work Plan – LT5H (ASUV) Program	\$402,073.72	Met	\$402,073.72
T&D-36	Construction – Cost Estimating Accuracy	\$344,634.62	Met	\$344,634.62

T&D-37	Improve Reliability and Resiliency Through Completion of Program Planned Units	\$689,269.24	Met	\$689,269.24
T&D-40	Reduce Double Wood Poles	\$229,756.41	Partially Met	\$114,878.21
T&D-41	Program Effectiveness – Vegetation Management	\$344,634.62	Did Not Meet	\$0.00
T&D-44	Regulatory Compliance	\$287,195.52	Met	\$287,195.52
T&D-46	Root Cause Analysis (RCA) Execution and Compliance	\$459,512.83	Met	\$459,512.83
T&D-49	Work Management Effectiveness	\$574,391.03	Met	\$574,391.03
T&D-50	Storm Outage Response Performance	\$344,634.62	Met	\$344,634.62
T&D-52	Triennial Safety Assessment	\$402,073.72	Met	\$402,073.72

T&D-01 – Asset Management Program Implementation – Asset Inventory

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0%	100%	Did Not Meet	\$0.00

The objective of this metric was to implement an effective Enterprise Asset Management (EAM) Program consistent with both the ISO-55000 principles and the Asset Management Recommendations adopted by the LIPA Board of Trustees (AM-1 and AM-2). PSEG Long Island provided LIPA with quarterly updates on asset inventory field verifications and GIS record updates. In the fourth quarter, PSEG Long Island realized that they would not meet the target of 354,416 field verifications or database uploads. PSEG Long Island hired a consultant to address the backlog of GIS uploads but was unable to catch up. They missed both targets and, therefore, did not meet this metric.

T&D-06 – Primary Transmission Control Center (PTCC) Replacement

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$344,634.62

PSEG Long Island has successfully executed the project implementation plan containing the key milestones identified for 2024, which will lead to the construction of the Primary Transmission Control Center (PTCC).

T&D-07 – System Average Interruption Duration Index (SAIDI) Reliability

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	59.3	56.5	Did Not Meet	\$0.00

SAIDI is a standard utility reliability metric that measures the average sustained outage of five minutes or more in duration for each customer served. The SAIDI metric is featured prominently in the LIPA Board of Trustees' Transmission & Distribution Operations Policy and the 2nd Amended & Restated Operations Services Agreement (OSA) as a Gating Metric. For this and other reliability metrics, the objective is to reach or maintain top decile performance as measured against industry peers, and the respective metric targets have been set accordingly. This metric provides a clear and quantifiable measure of reliability, which is directly tied to customer experience and can help inform decisions around investments in the grid. Increased storm activity, with a total of thirteen (13) storm events in 2024 unfavorably affected performance. Unfortunately, PSEG Long Island did not meet this metric in 2024; however, the final performance of under 60 minutes is still very strong compared to that of peer utilities.

T&D-08 – System Average Interruption Frequency Index (SAIFI) Reliability

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0.72	0.67	Did Not Meet	\$0.00

SAIFI is a standard utility metric that measures the average number of sustained interruptions of five minutes or more for each customer served. This metric provides a clear and quantifiable measure of reliability, which is directly tied to customer experience and can help inform decisions around investments in the grid. PSEG Long Island's year-end SAIFI for 2024 was 0.72, which did not meet the target. As with SAIDI, increased storm activity was the primary cause for the unfavorable outcome.

T&D-09 – Momentary Average Interruption Frequency Index (MAIFI) Reliability

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	1.46	1.50	Met Metric	\$315,915.07

MAIFI is another standard utility metric measuring the average number of momentary interruptions (defined as less than five minutes) for each customer served. This metric provides a clear and quantifiable measure of reliability, which is directly tied to customer experience and can help inform decisions around investments in the grid. PSEG Long Island continued their Power On, Tree Trim, Circuit Improvement, and other initiatives, driving performance to a result of 1.46, which surpassed the metric target of 1.50.

T&D-10 – Reduce Sustained Multiple Customer Outages (S-MCOs)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	75%	100%	Partially Met	\$236,936.30

As with SAIDI and SAIFI, S-MCOs measure sustained outages of five minutes or more in duration. The metric specifically tracks performance for customers experiencing significantly more sustained outages than the system average, which is significantly less than one event per year. These multiple outages can cause inconvenience and disruption to customers. At year-end, PSEG Long Island met three (3) out of the four (4) targets, with one (1) customer experiencing twelve (12) or more outages during the year. As of December 31, 2024, the number of customers that had experienced six (6) or more outages was 2,121, compared to the

target of less than or equal to 2,275. Further, 125 customers experienced eight (8) or more outages with a target of less than or equal to 375 customers, and thirteen (13) customers experienced ten (10) or more outages, which is less than the target of fifty (50) customers.

T&D-12 – Reduce Momentary Multiple Customer Outages (M-MCOs)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	52,461	54,000	Met Metric	\$315,915.07

M-MCOs are another reliability metric used to monitor the frequency of power interruptions of less than five minutes in duration (“momentary outages”) over a rolling twelve-month basis. This metric provides insight into the frequency of brief interruptions that can disrupt sensitive electronic equipment and customer activities. At year-end 2024, PSEG Long Island met this metric with 52,461 customers experiencing six (6) or more momentary outages during the previous 365-day rolling period versus a target of less than or equal to 54,000. This represents approximately 4.5% of all customers served.

T&D-13 – Serious Injury Incident Rate (SIIR)

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	0.14	0.00	Did Not Meet	\$0.00

SIIR is a crucial safety metric component of the LIPA Board’s Safety Policy. OSHA and peer utilities use this metric to measure the frequency of severe injuries incurred by the workforce. This rate is essential for assessing the overall safety environment within utility operations and implementing measures to protect employees and contractors. PSEG Long Island missed the target of 0 due to five (5) incidents that occurred within 2024, with one (1) of those incidents deemed to be very critical in nature.

T&D-18 – Improve Reliability Through Work Management Enhancements – Workforce Management Plans

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$459,512.83

The objective of this metric was to develop work management process enhancements that would optimize staffing levels, productivity, and overtime in support of the scheduled T&D work. PSEG Long Island completed the deliverables, and all elements of the metric were approved by LIPA. They have met this metric.

T&D-24 – Improve Reliability Through Vegetation Management Work Plan – Cycle Trim & Trim-to-Sky

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$402,073.72

The Vegetation Management Work Plans identify scheduled work on at least one-quarter of the overhead distribution system, which equals about 2,200 miles of power lines. This work also referred to as Cycle Trim, ensures that equipment failures do not occur due to regular vegetation maintenance. All deliverables have been received on time and approved by LIPA. PSEG Long Island completed 2,258 miles of Distribution Cycle Trim for 2024 year-end with a cost of \$22.453M. They also completed a total of 175 Distribution Trim-to-Sky circuits with a total cost of \$1.307M. PSEG Long Island met this metric in 2024.

T&D-26 – Improve Reliability Through Vegetation Management Work Plan – Hazard Tree Removal

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	50%	100%	Partially Met	\$258,475.97

This project was part of the Grid Resiliency Improvement Program. The year-end 2024 Hazard Tree/Storm Hardening removal target was to identify at least 14,000 hazard trees (Base and Incremental units, 2,800 and 11,200, respectively) to be removed for the year. The LIPA Hazard Tree Removal (base) program completed 2,964 trees/limbs on fifty-two (52) circuits with a total cost of \$2.088M as of December 31, 2024. The LIPA Hazard Tree Removal (incremental) program completed 11,036 trees/limbs on 445 circuits with a total cost of \$10.901M by year-end. This metric required that the execution of 100% of the work be identified in the approved 2024 Management Work Plan by December 31, 2024 and that the actual spending was within up to +5% of the Board-approved hazard tree budget target. PSEG Long Island reallocated \$2M from T&D-24: Improve Reliability Through Vegetation Management Work Plan - Cycle Trim & Trim-to-Sky to the budget for this metric (T&D-26) to complete the required work. Although this budget reallocation enabled PSEG Long Island to achieve the unit targets, which produced positive benefits for the customers, it was not the sole intent of the metric, and therefore, LIPA is only providing 50% of the incentive compensation and rating this metric as partially met.

T&D-30 – Improve Resiliency Through Storm Hardening Work Plan – ACRV Commissioning Program

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$516,951.93

This metric was part of the overall Storm Hardening that PSEG Long Island is completing to enhance the distribution system's reliability. During the year, 122 ACRVs were operationalized versus a target of 121. As such, PSEG Long Island met the target of this program.

T&D-31 – Improve Resiliency Through Storm Hardening Work Plan – LT5H (ASUV) Program

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$402,073.72

This metric was also part of the overall Storm Hardening that PSEG Long Island is completing to enhance the distribution system's reliability. As per the 2024 Storm Hardening Work Plan, at least 150 LT5H (ASUV) must be operationalized so that the ASUV operates as an ACRV. At the end of the year, 151 LT5H (ASUV) were operationalized within the approved capital budget constraints. As such, PSEG Long Island met the target of this program.

T&D-36 – Construction – Cost Estimating Accuracy

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	90.8%	90%	Met Metric	\$344,634.62

This metric was limited to measuring discrete capital projects at the time of their respective close-outs during the contract year 2024 versus their initial definitive level cost estimates. PSEG Long Island met the year-end target of 90% accuracy.

T&D-37 – Improve Reliability and Resiliency Through Completion of Program Planned Units and Management of Unit Costs Per Workplan

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$689,269.24

The objective of this metric was to adhere to targeted program planned units and unit costs within 2024. PSEG Long Island met the targets for all the units listed in the metric, including transmission breaker replacement, residential underground cables, single-phase recloser devices, and transformer monitoring.

T&D-40 – Reduce Double Wood Poles

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	7,680	6,810	Partially Met	\$114,878.21

As a safety and system reliability matter it is important to continue to manage the amount of Double Wood Poles on the T&D system. PSEG Long Island received 50% of the total incentive compensation for achieving the Next-To-Go (NTG) target, which was 10% lower than the 2023 year-end number of 914. The year-end result was 554 for NTG. The Double Wood Pole Count was higher than the year-end achievement from 2023; therefore, there was no improvement in 2024, and that portion of the metric was not met.

T&D-41 – Program Effectiveness – Vegetation Management

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	2.9%	-50.0%	Did Not Meet	\$0.00

The objective of this metric was to realize tangible performance improvements on parts of the system that have completed prescribed vegetation management activities per the 2023 Vegetation Management Work Plan. A year-over-year outage incident target reduction of 50% or greater was set for the circuits addressed in the 2023 plan due to effective vegetation management. This applies only to primary, sustained outages directly related to vegetation. Since 2023, for the circuits with a full year from trim, there has been a 2.9% increase in vegetation-related incidents, mostly from the branch-line tree contacts during storm periods. Therefore, PSEG Long Island did not meet this metric.

T&D-44 – Regulatory Compliance

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$287,195.52

PSEG Long Island has not reported any instances of non-compliance. They operated within all applicable rules and regulations and met all local, state, and federal compliance reporting regulations as defined in this metric.

T&D-46 – Root Cause Analysis (RCA) Execution and Compliance

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$459,512.83

The goal of this metric was to enhance and expand the Root Cause Analysis (RCA) program through the inclusion of additional operational, safety, and system-related events and the development of a formal Corrective Action Program (CAP). PSEG Long Island completed the scope of work, and all deliverables were approved by LIPA, therefore they have met this metric.

T&D-49 – Work Management Effectiveness

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$574,391.03

This metric measured the effectiveness of the Work Management initiatives implemented from 2021-2024. PSEG Long Island met all the targets for productivity for specific work types, utilization/work plan variance, overtime rates, and schedule attainment.

T&D-50 – Storm Outage Response Performance

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Quantitative	100%	100%	Met Metric	\$344,634.62

The objective of this metric was to measure and improve the overall outage management and response effectiveness during storms with customer outage durations ≥ 24 hours and < 48 hours. The Scorecard was based on a total maximum score of 1,000 points, and to receive full compensation, PSEG Long Island must attain a score of at least 80% of all eligible points for the rating period. PSEG Long Island had its first applicable storm on June 26, 2024, where they had an overall score of 755 points out of 855 potential points achieved, which is 88.30%. The second applicable storm occurred on August 3, 2024. They achieved 790 points out of 855 potential points, which is 92.4%. For both storms, certain scorecard categories were not applicable, and therefore, the total maximum score was 855 instead of 1,000. PSEG Long Island met this metric.

T&D-52 – Triennial Safety Assessment

Metric Type	YE Actual	YE Target	YE Rating	Awarded Compensation
Qualitative	100%	100%	Met Metric	\$402,073.72

In accordance with the Board of Trustees Policy on Safety, which focuses on the actions and welfare of employees, contractors, and the public, an independent third-party review was conducted to assess PSEG Long Island's overall safety performance. The Safety Assessment was completed, and a final report with recommendations was issued. PSEG Long Island's responsibility for the metric was to be responsive with their corrective actions for the items identified in the report. Their response was timely and thorough, and thus, the metric was achieved for the year.