LONG ISLAND POWER AUTHORITY

MINUTES OF THE 343rd MEETING

HELD ON JUNE 24, 2026

The Long Island Power Authority ("LIPA") was convened for the three hundred and forty-third time at 11:34 a.m. at LIPA's Headquarters, Uniondale, NY, pursuant to legal notice given on June 18, 2026, 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
Anthony M. La Pinta
Claudia Lovas
Mili Makhijani
David Manning
Mary Ellen Mendelsohn

Representing LIPA, in person, were Carrie Meek Gallagher, Chief Executive Officer; Bobbi O'Connor, Chief Legal Officer and General Counsel; Donna Mongiardo, Chief Financial Officer; Gary Stephenson, Senior Vice President, Power Supply; Suzanne Brienza, Vice President, Customer Experience and Clean Energy; Robert Frenna, Vice President, T&D Utility and Program Performance; Umair Zia, Vice President, Transmission and Distribution System Performance; William Wai, Director, Rates; Jessica Dehnert, Senior Manager, Enterprise Risk Management; and Gaspare Tumminello, Manager, External Affairs.

Representing PSEG Long Island, in person, were Scott Jennings, President and Chief Operating Officer; Lou Debrino, Vice President, Customer Operations; Sonny Chung, Vice President, Business Services; John McCumiskey, Senior Director, Engineering & Asset Management; Daniel Shapiro, Deputy General Counsel & Chief Litigation Counsel; Christy

Barone, Director, Field & Measurement Operations; Janeen Houston, Enterprise Engagement & Inclusion Manager; and Jerry Ake, Manager Internal Audit Services.

Representing the Department of Public Service was Nick Forst, Director.

Chair Edwards welcomed everyone to the 343rd 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 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 resolution was unanimously adopted by the Trustees based on the memoranda summarized below:

1970. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MAY 20, 2026 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on May 20, 2026 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.

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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 Economic Development and Community Engagement (the "Policy"); and (ii) finding that LIPA has complied with the Policy since the last annual review, which resolution is attached hereto as Exhibit "A".

Background

The Board adopted the Policy in March 2017 with the purpose of promoting the economic growth and vitality of the service territory through the efficient use of utility plant and

equipment, consistent with LIPA's mission to its customer-owners. The Board last reviewed the Policy in March 2025.

Compliance with the Policy

LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has complied with the Policy since the last annual review of the Policy.

The Policy provides that "LIPA's vision for economic development and community engagement is to promote the economic growth and vitality of our service territory by encouraging the efficient use of utility plant and equipment and by attracting personnel to LIPA and its service provider who are purpose-oriented and dedicated to Long Island and the Rockaways." In furtherance of that vision, the Policy directs LIPA to "[attract] both large and small commercial customers to the service territory and helping such customers grow their businesses through electric rates that are discounted below LIPA's average cost of service." The Policy also provides that LIPA will "[o]ffer economic development rates and programs consistent with those offered by other utilities in the State or best practices within the electric utility industry." Since the last annual review of the Policy, LIPA's economic development rates and programs achieved the following results:

- **28 large business accounts received discounted power through the Business Development Rate and legacy New York State programs, such as the Excelsior Jobs program in 2025. These businesses received approximately $1.2 million in discounts in 2025.**

- **870 large business accounts received power through the Recharge New York program, with commodity delivered by LIPA and its service provider, in 2025 creating or retaining over 403,800, jobs.**

- **21 small business customers opened new accounts through the Vacant Space program in 2025, which encourages new businesses to occupy spaces that have been vacant for at least one year. Total incentives awarded during 2025 were $54,522.**

- **A total of $250,625 in incentives were awarded to support 12 local businesses through the Main Street Revitalization program in 2025. Since 2018, 87 projects have received $2.2 million in grants for local business renovation projects. This has enabled businesses to leverage over $176 million in private investment on projects while also creating over 1,450 jobs.**

The Policy further provides that LIPA and the service provider will "[engage] in community events, volunteerism, educational programs, and selected grant-making consistent with LIPA's powers, duties, and purpose and the framework of this Policy, with a general preference for engaging with governmental entities, not-for-profit organizations, and businesses located in the service area."

- **In 2025, 23 grants were given out to Chambers of Commerce to enable and enhance outdoor commerce, landscaping and beautification to improve appeal of business community amounting to $160,878.**

Lastly, the Policy provides that LIPA will "[endeavor] to be an agent of local economic development as a large purchaser of goods and services. In doing so, in selecting among alternatives, LIPA will take into consideration the operational, environmental, and economic benefits to the service territory, including any impact on long-term local employment."

- **LIPA has identified and engaged a third party to do an assessment of LIPA and PSEG Long Island's local and WMBE spending by category next year. The initiative will also develop a strategy to reach out to potential local and MWBE suppliers and assist them to become more competitive and knowledgeable about LIPA and PSEG Long Island.**

Annual Review of the Policy

LIPA Staff has reviewed the Policy and recommends no changes at this time.

Recommendation

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

1971. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON ECONOMIC DEVELOPMENT AND COMMUNITY ENGAGEMENT

WHEREAS, the Board Policy on Economic Development and Community Engagement (the "Policy") was originally approved by the Board of Trustees by Resolution No. 1356, dated March 29, 2017; and

WHEREAS, the Policy was last reviewed by the Board on March 27, 2025; and

WHEREAS, the Finance and Audit Committee has conducted the annual review of the Policy and has recommended that the Policy has been complied with.

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

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Chair Edwards stated that the next item on the agenda was the Chief Executive Officer's Report to be presented by LIPA's Chief Executive Officer, Carrie Meek Gallagher.

Ms. Gallagher presented the Chief Executive Officer's Report and took questions from the Trustees.

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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 Scott Jennings and PSEG Long Island staff.

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

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Chair Edwards stated that the next item on the agenda was the Consideration of Approval of the Annual Report on the Board Policy on Clean Energy and Power Supply with ERM Update on Associated Risk, to be presented by Gary Stephenson, Suzanne Brienza, and Jessica Dehnert.

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 approving the annual report on the Board Policy on Clean Energy and Power Supply (the "Policy"), and finding that LIPA has complied with the Policy since the last annual review, which resolution is attached hereto as Exhibit "A."

Background

The Board originally adopted the Policy in June 2017 and it has been amended several times since then to align with evolving business objectives and state clean energy policies and programs. The last annual report on the Policy was presented to the Board in December 2024. The Policy sets LIPA's vision for clean energy and power supply "to provide clean, reliable, resilient electricity to our customers at an affordable cost that both maintains the economic competitiveness of our region and minimizes the economy-wide greenhouse gas emissions of Long Island and the Rockaways by encouraging the electrification of vehicles, buildings, and equipment." The Policy also establishes regular performance reporting by LIPA Staff to enable the Board to assess performance against the objectives of the Policy.

Compliance with the Policy

LIPA Staff recommend that, for the reasons set forth below, the Board finds that LIPA has complied with the Policy since the review of the Policy last year.

"To achieve our vision for Clean Energy, LIPA will:"

- **"Achieve a zero-carbon electric grid by 2040, while meeting or exceeding LIPA's share of the clean energy goals of New York's Climate Leadership and Community Protection Act ("CLCPA"), including those for renewables, offshore wind, distributed solar, and storage."**
    - **Through direct contracting for clean energy resources and purchases of renewable energy credits, LIPA has made significant progress toward meeting the State's goals for renewables, offshore wind, distributed solar, and storage.**
    - **New York's first commercial-scale offshore wind farm, the 132 MW South Fork Wind Project, went into commercial operation in July 2024 under contract to LIPA. The project provides enough power to meet the needs of 70,000 homes on Long Island. Two other projects, the 924 MW Sunrise Wind and the 810 MW Empire Wind I, are currently in construction under contracts with NYSERDA. LIPA is supporting Sunrise Wind's connection to LIPA's grid network, whereas Empire Wind 1 will connect to the Con Edison system.**
    - **The CLCPA seeks to achieve 10,000 MW (dc) of distributed solar by 2030. LIPA has already substantially exceeded its share of the State's 2025 goal, with over 1,100 MW of utility-scale, distributed, and rooftop solar projects in service, and is on track to exceed the 2030 goal at least three years early. Long Island continues to have the most robust rooftop solar market in the State (accounting for approximately 39% of the statewide solar market as compared to 13% of the state's load) with over 90,000 photovoltaic systems installed. In 2023, customer-side installed capacity increased 85 MW (AC) with incremental annualized energy savings of about 100,000 MWh. This was a 29% increase in 2023 over 2022, while nationwide solar installations decreased by 19%.**
    - **In 2025, as a result of LIPA's 2021 Energy Storage RFP, LIPA executed two contracts with Key Capture Energy to purchase dispatch rights from Li-ion bulk energy storage systems totaling 129 MW at locations in Shoreham and Islip. These projects will position LIPA as a statewide leader in utility-scale storage and will help meet LIPA's proportionate share of the statewide storage goals established by state policy.**
    - **In July 2025, NYSERDA filed its Storage Roadmap Implementation Plan in compliance with a PSC Order and subsequently released its inaugural "indexed storage credits" RFP, the first of three annual bulk energy storage solicitations that NYSERDA is required to issue through 2027 to help meet the statewide goal of 6,000 MW of energy storage by 2030. According to NYSERDA's Bulk Energy Storage Program website, eight of the projects proposed in the RFP are located on Long Island.**

- **As of mid-year 2024, there is also approximately 23 MW of behind-the-meter customer storage installed, virtually all in conjunction with photovoltaic installations. LIPA continues to work with NYSERDA, DPS and other stakeholders to facilitate new distributed storage projects on Long Island. In this regard, LIPA and NYSERDA implemented an MOU committing LIPA to fund its proportionate share of NYSERDA's retail and residential energy storage procurement program for 2024-26.**
- **In 2025, LIPA and NYSERDA executed two new agreements under which LIPA commits to pay its "load share ratio" of NYSERDA's costs to purchase Tier 1 and Tier 4 renewable energy credits ("RECs"), as a primary means for LIPA to satisfy its share of statewide CLCPA goals. NYSERDA sources Tier 1 RECs under REC purchase agreements with land-based solar and wind farms across New York State, and Tier 4 RECs under a contract with Champlain Hudson Power Express that enables the import of renewable energy from Canada over a new transmission system from the Canadian border to New York City.**

- **"Demonstrate innovation and be recognized among the leading utilities in reducing economy-wide greenhouse gas emissions through energy efficiency and beneficial electrification."**
  - **As of Year End 2025, LIPA's residential and commercial energy efficiency programs resulted in 829,942 MMBtu of energy savings, which is approximately 110% of the goal of 751,412 MMBtu of energy savings for the year.**
  - **As of Year End 2025, LIPA deployed whole house heat pumps in over 17,064 dwellings across all customer sectors. As was the case in 2023 and 2024, total heat pumps counts are based on housing units served by whole house heat pumps, as this approach is consistent with the Governor's 2 Million Heat Pump ready initiative. Long Island's share of the statewide goal is 67,769 dwellings with whole house heat pumps by 2030.**
  - **LIPA has an estimated $230 million plan to build the infrastructure for more than~15,000 chargers across Long Island and the Rockaways by 2031 to support nearly 290,000 expected electric vehicles in the region.**
  - **LIPA continues to conduct detailed reviews of clean energy programs each Fall in order to incorporate performance improvements and industry best practices into the Utility 2.0 planning process.**
  - **LIPA continued to lead bi-monthly workshops with solar and storage industry representatives to understand their needs, resulting in evaluation of several areas of exploration, including:**
    - **LIPA working to design a new retail storage program;**
    - **PSEG LI designing a pilot program for direct utility management of Verizon SCADA accounts; and**
    - **PSEG LI evaluation of meter socket adaptors for potential future approval.**

- **"Improve equity for disadvantaged communities, as measured by meeting or exceeding LIPA's share of New York's environmental justice goals as defined by the CLCPA and the Climate Justice Working Group, including ensuring that disadvantaged communities receive 40% of the overall benefits of clean energy, energy efficiency, energy assistance, and energy transportation investments, but not less than 35% of the overall benefits of spending on clean energy and energy efficiency programs, projects or investments."**
    - **Circuit Transit Inc., a recipient of the 2022 New York Clean Transportation Prize winner in the Electric Mobility Challenge category, continued their pilot project operating a micro-shuttle service for the Rockaways and Brentwood. This program was made possible by LIPA's award of $7 million for innovative projects that expand access to clean, electric transportation and lower vehicle emissions in historically disadvantaged communities.**
    - **LIPA's 2024 Budget funded $2 million for a Long Island Regional Clean Energy Hub, which is managed by NYSERDA and Cornell Cooperative Extension. The Hub's mission is to partner with community-based organizations in providing outreach and education services in clean energy and energy efficiency, and integrate those with social services, housing, economic development, health, and training, particularly in disadvantaged or underserved communities.**
    - **LIPA participated in the statewide process to define disadvantaged communities and meet its share of CLCPA goals. LIPA has been tracking and verifying the performance against the disadvantaged communities goal and has developed internal tracking tools to facilitate this effort.**
    - **Based on current formulations in the Draft Guidance Document, LIPA exceeded the minimum DAC spending for 2025, and while the year is still underway, LIPA expects to exceed the minimum DAC spend in 2026.**
    - **LIPA negotiated a partnership with the Homes and Community Renewal office allowing for direct application of up to $2.7 million in LIPA incentives for weatherization and heat pump improvements in buildings that HCR is already upgrading with other state dollars.**

"To achieve our vision for Reliable Power Supply, LIPA will:

- **"Plan for a power supply portfolio that meets or exceeds industry standards for reliability, as demonstrated through Integrated Resource Plans conducted no less than every five years and by implementing the actionable recommendations of those plans in a timely manner."**
    - **In May 2026, LIPA released the scope of work for its planned 2027 Integrated Resource Plan (IRP), which will examine the supply-side, demand-side, and transmission resources necessary for LIPA to continue to provide reliable, cost-effective, and increasingly clean electric service to customers on Long Island and the Rockaways. The schedule for the IRP includes ample opportunities for stakeholder engagement and public comments.**

- **Recent NYISO planning studies have demonstrated tightening reliability margins for downstate New York. LIPA has proposed a suite of solutions to address the challenges that will be considered during the solutions phase of the NYISO's Reliability Planning Process in the second half of 2026.**
- **LIPA is participating with the state's other transmission owners in the NYISO Coordinated Grid Planning Process to better integrate the studies performed at the local level with the NYISO's bulk power system planning and generation interconnection processes, improve the integration of local T&D and bulk system studies with NYSERDA's renewable generation and storage procurements, and improve forecasting of renewable generation development for specific locations on the local T&D and bulk transmission grid.**

"To achieve our vision for Affordability, LIPA will:"

- **"Consider the benefits and costs of its clean energy programs and power supply to achieve the greatest value for our customers."**

- **"Competitively procure the least-cost resources and programs that meet our clean energy and reliability objectives, including using our not-for-profit, tax-exempt cost of capital to finance assets or pre-pay for energy, and using LIPA-owned land or exercising LIPA's rights to acquire generating sites."**
  - **In 2025, LIPA launched procurements in neighboring regions PJM and ISO-New England for firm power imports using LIPA's firm transmission rights on the Neptune and Cross Sound Cables. LIPA expects to execute new contracts from those procurements in 2026.**
  - **In addition, LIPA has signed new power purchase agreements with MPH Rockaway Peakers, LLC and Calpine intended to support continued operation of key generating units located in Far Rockaway and Bethpage, respectively.**
  - **PSEGLI's scenario projections show that with these and other planned and ongoing procurement activities and supply contract extensions, Long Island will continue to meet the minimum Locational Capacity Requirement ("LCR"), as set by the NYISO, for the foreseeable future.**
  - **LIPA plans to meet a major portion of its CLCPA-driven clean energy and storage targets by participating in statewide clean energy programs administered by NYSERDA, which acts as the central procurement administrator for contracting with eligible generators through annual competitive solicitations. Several of the projects resulting from the statewide programs – including Sunrise Offshore Wind and the Propel NY Energy project to expand the capacity of LIPA's transmission network and add three new interties to rest-of-state for offshore wind – will directly enhance local resource adequacy.**
  - **LIPA and ConEd are working with the New York Independent System Operator and the owners of Propel NY Energy to develop the transmission project, which will bolster parts of the grid network on Long Island, in New York City and across Westchester County to**

support the integration and export of at least 3,000 MW from offshore wind projects interconnecting on Long Island. LIPA's role includes coordination and planning on project permitting and construction for Long Island-based facilities, and completion of certain network upgrades to the LIPA system. Construction is expected to commence later in 2026.

- **Since 2022, LIPA has used prepay bonds to purchase large volumes of electricity (or natural gas) at a discount. To date, LIPA has executed three electricity "pre-pay" transactions. These transactions are projected to reduce LIPA's power supply costs by approximately $12.7 million annually.**

- **"Regularly demonstrate efforts to minimize cost and maximize performance with contractual counterparties and through advocating with regulatory authorities for fair cost allocations for Long Island and Rockaways electric customers."**
  - **In recent years, all third party-owned generation under contract to LIPA has met or exceeded contract targets. LIPA continues to actively monitor counterparty performance and pursue contract optimization opportunities where appropriate. LIPA engagement to competitively reprocure expiring agreements to ensure Long Island ratepayers receive maximum value from the existing supply portfolio, continues to be a critical focus.**
  - **LIPA, through its use of the Neptune Cable, has been subject to PJM's cost allocation methodology for new transmission facilities, which historically assessed costs against customers using those facilities to export capacity. LIPA and other merchant transmission providers have challenged this methodology to be inequitable. In a March 6, 2026 order — Consolidated Edison Co. of New York, Inc. et al., 194 FERC ¶ 61,179 (2026), Docket Nos. EL15-18-005 et al. — FERC eliminated PJM's long-standing de minimis threshold exemption from its DFAX cost allocation methodology, finding that the exemption violated cost-causation principles by disproportionately shielding large load zones from paying for transmission upgrades they significantly used. The order opened the door to an estimated $1 billion in refunds, including interest, and re-billing stretching back more than a decade. LIPA, together with Neptune, Con Edison, and other New York entities, was among the original petitioners that brought the successful D.C. Circuit challenge in 2022 that led to this remand and the March 2026 order. LIPA is now actively monitoring the compliance filing process directed by FERC and assessing its share of any refunds and prospective cost reallocations, which are expected to produce direct savings for Long Island ratepayers.**
  - **In 2024, LIPA worked with the other New York Transmission Owners and DPS to reclassify about $60M in Western NY PPTN cost overruns as "foreseeable", thus subject to a reduced return on equity. LI customers will save about $3 M over a 10-year period. In 2025, LIPA continues to monitor and participate in PPTN project cost**

developments, including cost reconciliation proceedings for previously approved projects. As PPTN projects progress through construction and into service, LIPA remains engaged in ensuring that any cost overruns are subject to appropriate regulatory scrutiny and that Long Island's proportionate share of transmission costs reflects actual usage and benefit.

- **LIPA is actively monitoring FERC implementation of Order No. 1920, which establishes new federal requirements for Long-Term Transmission Planning. Order 1920 requires transmission providers, including NYISO, to conduct long-term regional planning over a 20-year horizon and to incorporate identified transmission needs driven by anticipated future scenarios, including load growth, resource retirements, and state and federal policy requirements. Order No. 1920 is a fundamental shift in Long-Term Transmission Planning and will place a heavy reliance on scenario-based planning and forecast assumptions related to resource supply, age-based retirements, load forecasts, and other future scenarios. LIPA is engaged in NYISO's Order 1920 compliance proceedings to ensure that Long Island's transmission needs, including export capacity, offshore wind interconnection, and reliability requirements, are appropriately identified and that the resulting cost allocation framework does not disproportionately burden Long Island ratepayers. Additionally, LIPA is also engaged in the development and implementation of NYISO Congestion and Grid Planning Process (CGPP) which governs how transmission congestion costs and reliability-driven investments are identified, evaluated, and allocated across NYCA. NYISO has completed Phase 1 as part of the CGPP process and LIPA's participation is directed at ensuring that cost allocation methodologies under the CGPP appropriately reflect Long-Island's load ratio share and projects with limited direct benefits to Long Island are not allocated to ratepayers.**
- **LIPA worked with the state's other transmission owners and load interests to advocate for a two-hour lithium-ion battery energy storage system (BESS) as the proxy unit in NYISO's quadrennial Demand Curve Reset (DCR) — a critical determinant of the market cost of installed capacity for load-serving entities such as LIPA. On January 28, 2025, FERC accepted NYISO's 2025–2029 DCR proposal in Docket No. ER25-596, approving the two-hour BESS as the peaking unit and finding it meets the definition of a peaking unit under NYISO's Services Tariff, with the new demand curves effective for the 2025/2026 Capability Year and governing annual ICAP Demand Curve updates through the 2028/2029 Capability Year. FERC accepted NYISO's proposed financial parameters for the two-hour BESS, including a 14.5% cost of equity, a 7.2% cost of debt, and a 50-basis-point risk adder to account for the higher investment risk associated with BESS projects. This change is estimated to save New York consumers approximately $1.6 billion annually compared to a conventional fossil**

fuel proxy — a significant long-term benefit for LIPA customers as existing supply hedges roll off over time.

- **Looking ahead, NYISO has begun early discussions on potential reforms to the DCR process itself, including how the proxy unit definition and Cost of New Entry (CONE) methodology should be strengthened for future reset cycles. NYISO stakeholders and NY Transmission Owners will coordinate in late 2025 and continuing into 2026, in examining improvements to the DCR process and proxy unit definition ahead of the next quadrennial reset cycle. LIPA is actively engaged in these proceedings to ensure that the DCR methodology continues to reflect the actual project economics.**
- **LIPA actively participates in New York PSC proceedings that have direct implications for Long Island electricity costs. The NY PSC has opened a number of key proceedings addressing Large Load Interconnection, Capacity Market, Utility Ownership, Affordability, as well as transmission rate cases, demand response programs, and utility performance metrics. LIPA is engaged in those addressing the cost recovery framework for offshore wind transmission infrastructure, the treatment of stranded transmission costs, and any DPS reviews of LIPA's own rate structure and financial performance under the Revised LIPA Reform Act framework. LIPA's participation in these proceedings is directed at preventing cost shifts onto Long Island ratepayers and ensuring that state regulatory actions are consistent with LIPA's obligations to procure and deliver power at the lowest reasonable cost.**

Enterprise Risk Management Discussion

The Board has adopted a Policy on Enterprise Risk Management ("ERM"). Enterprise risks are brought to the Board's attention throughout the year. There are two risks related to this Policy which are noted below.

- **Suboptimal planning and/or project execution to achieve LIPA's portion of the New York State climate goals could result in insufficient resource allocations, reduced system reliability, increased customer costs, and negative public perception; and**
- **Insufficient generation to meet customer demand and/or insufficient excess capacity/margins to fulfill reliability requirements could result in reduced reliability, rolling blackouts, and/or significantly increased costs.**

The CLCPA project execution is a medium rated risk with a long-term focus. This risk is being mitigated by evaluating changes in projects, load forecasts, markets, and by modifying resource plans accordingly to ensure reliability and minimizing customer bill impacts. We are also active participants with NPCC, NYSRC, NYISO and NYS DPS through various technical committees to ensure appropriate assumptions and studies are conducted to maintain system reliability. There is proactive communication with various stakeholders

through the Project Council and Transmission and Distribution Planning Coordinating Committee ("TDPCC") to discuss major transmission project drivers such as PPTN, East End retirements, grid planning and incorporating feedback into study assumptions and recommendations. As a result of the mitigation actions in place and underway, we believe this risk is being effectively managed.

The resource adequacy risk is a highly rated risk and new to the top-rated enterprise risks presented to the F&A Committee in 2026. This risk is being mitigated through securing short- and long-term capacity and load reduction strategies, such as the Far Rockaway contract. We are coordinating closely with the PSC and NYISO and monitoring the progress of proposed regulations. Through the update of the IRP, we will have updated assumptions on generation requirements to maintain system reliability.

As a result of the mitigation actions in place and underway, we believe each of these risks are being effectively managed.

Annual Review of the Policy

LIPA Staff has reviewed the Policy and recommend no changes at this time.

Recommendation

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

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

1972. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON CLEAN ENERGY AND POWER SUPPLY

WHEREAS, the Clean Energy and Power Supply Policy (the "Policy") was originally approved in July 2017; and

WHEREAS, the last annual report and amendments to the Policy was in December 2024; and

WHEREAS, the Oversight and Clean Energy Committee (the "Committee") of the Board of Trustees has conducted the annual review of the Policy and has recommended that the Policy has been complied with.

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

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Chair Edwards stated that the next item on the agenda was the Consideration of Approval of the Annual Report on the Board Policy on T&D Operations with ERM Update on Associated Risk, to be presented by Umair Zia, Robert Frenna. and Jessica Dehnert.

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's Policy on Transmission and Distribution ("T&D") Operations (the "Policy"); and (ii) finding that LIPA has complied with the Policy, which resolution is attached hereto as Exhibit "A."

Background

By Resolution No. 1371, dated July 26, 2017, the Board originally adopted the Policy. The last annual review of the Policy was completed in November 2024, and the Board last amended the Policy in November 2021. The amendments to the Policy in November 2021 changed the name of the Policy from T&D System Reliability to T&D Operations.

The Policy now provides that: "LIPA's vision for our transmission and distribution system is to achieve industry-leading reliability, improve resiliency by minimizing outages and reducing restoration times after significant system disruptions, and leverage modern system design and technology to provide value to all customers. The Policy also provides for an annual reporting requirement that "[t]he Chief Executive Officer, or his or her designee, will report annually to the Board on the key provisions of this Policy."

Compliance with the Policy

LIPA Staff recommends that for the reasons set forth below, the Board find that LIPA has complied with the Policy since the last annual review. Compliance with each element of the Policy is discussed in detail below.

As set forth in the Policy, "[t]o achieve our vision for reliability, LIPA will":

"provide top decile reliability (i.e., top 10% of peer utilities) as measured by system average outage duration, excluding major events."

- **LIPA has taken steps to improve reliability, as further discussed below, with the objective of maintaining the Board's policy objective of top 10% reliability among peer**

utilities as measured by system average outage duration (i.e., the average outage minutes per customer per year, excluding major weather events).

- **PSEG Long Island's 2025 performance for system average outage duration per customer was 62.3 minutes, which was worse than the 2024 year-end result of 59.3 minutes. The 2025 performance failed to meet the OSA metric (T&D-07) target of 56.5 minutes.**
- **The top decile benchmark was 59.6 minutes, as determined by a national group of peer utilities, utilizing the IEEE methodology of reliability reporting. Under that methodology, PSEG Long Island successfully met the Board's top decile standard.**
- **Though recorded performance has increased by several minutes over the last few years, it is worth noting that 2025 "all-in" reliability, which captures system performance for all conditions, inclusive of storms, and is the truest measure of actual customer outage experience, was the best on record for Long Island at 68.0 minutes.**
- **PSEG Long Island was sixth place out of a group of sixty-six peers, equating to top decile, when measuring collective performance for: System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), and the Customer Average Interruption Duration Index (CAIDI). Furthermore, PSEG Long Island's reliability performance, using the IEEE methodology, widely used in the industry, is situated in top decile for SAIDI, with SAIFI and CAIDI in close proximity to top decile. PSEG Long Island's Momentary Average Interruption Frequency Index (MAIFI) performance, that measures outages of less than five minutes in duration, has continuously improved over an extended period of time, and is on pace to set an all-time best once again for our customers. Though benchmarking is not as prevalent for MAIFI as it is for other reliability indices, PSEG Long Island falls within top quartile among its industry peers.**

"improve circuit conditions that cause a customer to experience four or more sustained outages or six or more momentary outages in any 12-month period."

- **Annual reliability programs are designed to improve circuit performance, including the Circuit Improvement Program ("CIP"), the Multiple Customer Outage Program ("MCO"), and the Multiple Device Operation Program ("MDO").**
- **There are two performance metrics that address multiple customer outages, T&D-10 for sustained outages and T&D-12 for momentary outages. To better focus on customers with the worst outage experience, the metric for sustained MCOs was refined in 2024 to address four discrete levels ranging from six to twelve or more customer outages, as measured over a rolling 12-month period. In 2025, the sustained MCO metric was not met, as performance fell short for each of the four discrete outage levels, but measured broadly, 2.2% of our customers experienced four or more sustained outages during the year. However, the momentary MCO metric was met with a best-ever year that saw 2.8% of our customers experience six or more momentary outages.**

"utilize modern system design and technology to anticipate and minimize outages, monitor system conditions, provide for preventative and predictive system maintenance, and facilitate the efficient and timely interconnection of renewable and distributed resources."

- **PSEG Long Island continues to leverage advanced technologies and modern grid design to improve reliability, enhance system visibility, and support the evolving needs of customers and distributed energy resources. As part of metric T&D-58, PSEG Long Island is on target to complete the installation of a branch line recloser initiative with a total population of 10,000 devices on the system by the end of 2026. When completed, this is projected to result in reliability improvements against current performance of approximately 8% and 13% for SAIFI, and SAIDI, respectively.**
- **Additionally, under the same metric PSEG Long Island is implementing Fault Location, Isolation, and Service Restoration (FLISR) on 42 pilot circuits which will lead to further automation and restoration of the system using advanced algorithms.**
- **As our grid evolves, operating it will require new tools and processes. One such example can be found under metric T&D-58 where there are efforts to modernize our operations, with the first step being the creation of a comprehensive NextGen Distribution Control Room roadmap.**

- **PSEG Long Island will also be piloting advanced sensor technology that utilizes radio frequency (RF) signals to detect and pinpoint anomalies before they result in an outage. This early detection system will be tested on both transmission and distribution circuits.**

- **The Drone Pilot Program is a joint LIPA and PSEG Long Island initiative to evaluate the use of autonomous drone technology for utility operations and asset inspections. The pilot program will assess whether remotely operated drone docks and cloud-based mission management can improve safety, efficiency, and situational awareness while reducing the need for manual field inspections. The first drone dock is currently being installed at a LIPA substation, with initial flight operations expected to begin in July 2026. Key use cases include asset condition assessments, storm response, and damage evaluations, with the results helping determine the viability of broader deployment across the transmission and distribution systems.**

- **Utility 2.0 projects such as Electric Vehicle (EV) make ready build distribution infrastructure to support electric vehicle connection. Utility of the Future initiatives such as the Integrated Energy Data Resource (IEDR) platform make energy-related data from the Photovoltaic (PV) Hosting Capacity and Energy Storage System Maps available to stakeholders so they may make informed investment decisions.**

"safeguard people and protect facilities and functions that support operations from unauthorized access or disruption through vulnerability assessments and risk mitigation."

- **LIPA and PSEG Long Island continue their multi-year plan to implement a layered approach of security enhancements via its Critical Infrastructure Protection (CIP) Program which consists of three primary elements; access control, communications backbone and substation security upgrades. This will enable us**

to strengthen our compliance with regulatory requirements related to NERC CIP physical security standards.

- **A critical milestone was reached at the close of 2025 with the completion of the Access Control initiative for all LIPA protected access points.**
- **The communications backbone and substation security upgrades are proceeding on schedule and on budget.**
- **This overall approach of enhancing substation security will mitigate risks associated with Physical Asset Protection on the LIPA/PSEG Long Island risk registers.**

The Policy further provides that "[t]o achieve our vision for resiliency, LIPA will:"

"mitigate the effects of climate change through multi-year programs that reduce the number and duration of outages after significant system disruptions."

- **PSEG Long Island has multiple reliability and resiliency programs geared towards meeting this policy objective, including but not limited to, enhanced vegetation management, branch line reclosers and storm hardening. In total for 2025, these programs accounted for approximately $600 million investment into our T&D system. Collectively, the work completed to date under these programs is projected to improve the next Isaias-level event by over 20%, as measured by SAIDI, with that improvement projected to double to over 40% with the completion of planned program work over the next five years.**
- **LIPA has been awarded total grant funding of $496.5 million since 2023 through the diligent efforts of both LIPA and its service provider. This consists of two separate applications for $5 million each to mitigate poles in disadvantaged communities in Nassau/Queens, and in Suffolk County. In December 2024, LIPA was awarded $3.5 million to storm harden two transmission road crossings. Work on the crossings is scheduled to begin early 4th quarter of 2026 and conclude by year-end. The pole replacements are underway and scheduled to conclude later in 2026.**
- **In July 2024, LIPA was awarded a $430 million mitigation grant to harden 166 overhead circuits. Work on these circuits is scheduled to begin in September 2026, with expected completion in 2030, pending FEMA approval to extend the program end from October 2028. Furthermore, in December 2024, LIPA gained approval to use $53 million from the Underrun of Funds from the award it received under Superstorm Sandy to install 8,500 branch-line reclosers across the T&D system. The physical work is scheduled to conclude prior to the end of 2026.**
- **LIPA recently filed for another mitigation funding opportunity under FEMA's Building Resilient Infrastructure and Communities (BRIC) program, seeking $17 million to enable the hardening of six transmission crossings. The award notifications are scheduled to be announced in early 2027. LIPA will continue to pursue these competitive grant opportunities as they are made available.**

"assure timely and accurate communication to customers about outages and restoration times."

- **LIPA continues to collaborate with PSEG Long Island to enhance the Estimated Time of Restoration ("ETR") process to provide more accuracy, allowing customers to better plan for the outage duration. Overall ETR accuracy has improved in recent years due to the operationalization of factors such as device type, season/month and hour/shift that provide a more tailored time of estimated restoration being communicated to our customers. These and other factors are monitored regularly to look for opportunities to continuously improve the customer outage experience.**
- **In 2025, over 82% of our customers had a positive ETR experience during storm conditions where power was restored on time or within an acceptable window that was earlier than the original estimate. Furthermore, over 84% of our customers received two ETRs or less during these storms, meaning that they are being appropriately informed. PSEG Long Island's ETR performance has met expectations during storm conditions and is tracked as a component of LIPA's Storm Scorecard metric (T&D-50) as well as the DPS' Storm Scorecard that is applicable to storm events with a duration of 72 hours or greater.**
- **For 2026, a new metric "Outage Information Satisfaction & Cause Code" (CS-40) was introduced, with ETR information and timeliness being a major component. A total of 82% of the customers surveyed indicated the number of outage notifications they receive (in the range of 1-3) was satisfactory. The YTD result for CS-40 for Cause Code Messages is at 71.8%, ahead of the target of 68.45%.**

"independently verify that emergency restoration plans are complete and tested."

- **LIPA continues to ensure, to the greatest extent feasible, the timely and safe restoration of energy services after an emergency consistent with the requirements of New York State Public Service Law ("PSL") and the recommendations of the NYS Department of Public Service (DPS).**
- **LIPA/PSEG Long Island submitted their initial 2026 Emergency Response Plan (ERP) on December 15, 2025, and DPS recommended adoption in a letter dated March 23, 2026, to LIPA's Board of Trustees.**
- **PSEG Long Island's amended 2026 ERP expands on the Training and Exercise section to reflect the implementation of standardized documentation designed to improve consistency, accountability, and oversight across emergency preparedness activities. LIPA attends more than 19 exercises and drills throughout the year to aid in evaluating our emergency response readiness. The amended ERP also incorporates the use of Improvement Plan Trackers, which capture after action review and exercise-related improvement items, assign ownership and completion timelines, and track progress through resolution. These measures are intended to formalize continuous improvement efforts and promote year-over-year enhancements to emergency response performance.**
- **LIPA continues to take additional measures to work together with PSEG Long Island to improve our emergency readiness and response. LIPA reviews, provides feedback and approves on an annual basis PSEG Long Island's proposed revisions to the 68 Emergency Restoration Implementation Procedures (ERIPs) to confirm they are accurate, up to date, aligned with current regulatory and operational**

requirements, and reflect industry best practices for emergency response and restoration activities.

Enterprise Risk Management Discussion

The Board has adopted a policy on Enterprise Risk Management ("ERM"). Enterprise risks are brought to the Board's attention throughout the year. There are two risks directly related to this Policy:

- **a major event such as a severe storm damages the infrastructure and results in widespread, long duration outages, and negative public perception;**
- **protection of critical assets such as substations and the control centers are compromised and could result in outages, equipment damages, and safety issues.**

The major event risk is the highest rated risk in the PSEG Long Island portfolio. PSEG Long Island is mitigating this risk through ongoing storm-hardening initiatives and system-reliability programs which have demonstrated the distribution system's ability to withstand smaller storms. Additionally, comprehensive training, annual tabletop exercises, and functional exercises are facilitated to assess the readiness of personnel and processes. With the numerous mitigation actions PSEG Long Island has implemented related to reliability, vegetation management, and storm hardening initiatives, we believe this risk is being effectively managed.

The protection of critical assets risk is also a highly rated risk. To mitigate this risk, there are several substation security upgrade projects which are funded and underway in addition to those that have already been completed. Additional security enhancements include a layered approach to perimeter intrusion detection, and utilizing a combination of best practices and technologies. There is a significant focus on safeguarding critical assets, and we believe PSEG Long Island is managing this risk effectively.

Annual Review of the Policy

The Policy was last updated in November 2021, to reflect the Board's strategic direction in this area. LIPA Staff has reviewed the Policy and proposes no changes at this time.

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, upon a motion duly made and seconded, the following resolution was unanimously approved by the Trustees.

1973. RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON TRANSMISSION & DISTRIBUTION OPERATIONS

WHEREAS, the Board Policy on Transmission and Distribution ("T&D") System Reliability was originally approved by the Board of Trustees by Resolution No. 1371, dated July 26, 2017; and

WHEREAS, the last annual review of the Policy was completed in November 2024; and

WHEREAS, the Board 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 hereby finds that the LIPA has complied with the T&D Operations 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 Approval of the Annual Review and Amendments to LIPA's Procurement Policy, to be presented by Bobbi O'Connor.

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 approving revisions to LIPA's Board Policy on the Use, Awarding, Monitoring and Reporting of Procurement Contracts (the "Procurement Policy or "Policy").

Discussion

In accordance with the New York State Public Authorities Law ("PAL"), LIPA is required to adopt and annually review comprehensive guidelines governing the use, awarding, monitoring, and reporting of procurement contracts.

LIPA staff has completed its review of the existing Procurement Policy for 2026, and recommends certain revisions intended to improve clarity, strengthen governance practices, and to ensure compliance with PAL requirements.

The proposed revisions include, among other changes:

- **updating definitions and terminology throughout the Policy to improve consistency;**
- **clarifying procurement procedures, and contractor responsibilities;**

- **enhancing provisions related to contract execution authority and approval requirements for contracts and purchase orders;**
- **incorporating additional guidance regarding procurement reporting obligations, including MWBE, SDVOB, and PARIS reporting requirements; and**
- **other administrative, formatting, and organizational revisions.**

The proposed revisions continue to promote fair and open competition, best value procurement, transparency, accountability, and compliance with applicable provisions of the PAL, State Finance Law, and other governing statutes.

All proposed revisions, including administrative and formatting changes, are reflected in the redlined Procurement Policy attached hereto as Exhibit "B."

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, upon a motion duly made and seconded,

the following resolution was unanimously approved by the Trustees.

1974. RESOLUTION APPROVING REVISIONS TO BOARD PROCUREMENT POLICY

WHEREAS, in accordance with the New York State Public Authorities Law ("PAL"), the Board of Trustees of the Long Island Power Authority ("LIPA") has adopted the Board Policy on the Use, Awarding, Monitoring and Reporting of Procurement Contracts (the "Procurement Policy or "Policy"); and

WHEREAS, LIPA Staff has reviewed the Procurement Policy and recommends certain revisions to enhance clarity, improve governance, and further ensure compliance with applicable provisions of the Public Authorities Law; and

WHEREAS, the proposed revisions include updates to definitions and terminology, procurement procedures, contractor responsibilities, contract execution authorities, reporting requirements, and other administrative and organizational provisions intended to improve implementation of the Procurement Policy; and

WHEREAS, such revisions are described in the accompanying memorandum and are shown in Exhibit "B" attached thereto.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the revisions to the Policy as described in the attached memorandum and as more particularly shown on Exhibit "B".

***

Chair Edwards stated that the last item on the agenda was the Consideration of Approval of Tariff Changes, to be presented by William Wai.

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

Requested Action

The Trustees are requested to approve the following proposals to modify the Long Island Power Authority's ("LIPA" or the "Authority") Tariff for Electric Service:

1. **Small Generator Interconnection Procedures ("SGIP") Updates: Modifying LIPA's SGIP to align with the State's recently updated Standardized Interconnection Requirements and Application Process for New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems ("Statewide SIR"), allowing changes to interconnection timelines to accommodate tax-credit eligible projects, and introducing a pilot program to assist certain customers with the Supervisory Control and Data Acquisition ("SCADA") interconnection process.**

2. **Uniform Business Practices ("UBP") Updates: Modifying the UBP for Electric Energy Service Companies ("UBP-LI-ESCO") and the UBP for Distributed Energy Resource Suppliers within the LIPA Service Territory ("UBP-DERS-LIPA") consistent with the New York State Public Service Commission's ("PSC or Commission") UBP ("PSC UBP") and UBP for Distributed Energy Resource Suppliers ("PSC UBP-DERS").**

3. **LIPA Public Policy Transmission Need ("PPTN") Formula Rate: Adopting the LIPA PPTN Formula Rate Methodology and Implementing Protocols to calculate an annual revenue requirement for the recovery of costs associated with transmission facilities and network upgrades constructed, owned and operated by LIPA pursuant to its role as a Designated Entity under the Public Policy Transmission Project planning process.**

SGIP Updates

Background

On June 23, 2025, the Commission issued an Order adopting modifications to the Statewide SIR (the "June 2025 Order"). These changes were proposed by stakeholders to make the interconnection process more efficient and to better align with current market and technology needs. The June 2025 Order approved targeted revisions to certain appendices of the Statewide SIR, including:

- **Extended Payment Timing (Appendix E):**
  - **Additional time allotted for collection of non-refundable cost-sharing deposits that are due from interconnection applicants.**

- **Shifted timeline for paying shared upgrade costs to align with the deadline for the non-shared costs providing developers the flexibility to secure payments for required system upgrades before making large upfront payments.**

- **Improved Technical Screening (Appendix G):**
  - **Refinement of the supplemental screening criteria for certain smaller projects permitting utilities to perform detailed engineering assessments that could eliminate the need for full Coordinated Electric System Interconnection Reviews ("CESIRs") where appropriate.**
- **Energy Storage Scheduling (Appendix K):**
  - **Additional rules added for developers to provide scheduled charge/discharge profiles for energy storage systems that will help integrate storage more efficiently and reduce potentially unnecessary distribution upgrades.**

Additionally, on January 23, 2026, the Commission issued the Order on Interconnection Queue Management ("January 2026 Order") further modifying the Statewide SIR, on a temporary basis, to manage interconnection queues for distributed energy resources ("DERs") in light of recent federal tax credit deadlines and other market pressures. The January 2026 Order looks to maximize the number of distributed clean energy and storage projects in the interconnection queue that can meet federal tax credit deadlines and speed progress toward New York's energy and climate goals, while providing a clearer and more predictable process for developers. The January 2026 Order's queue management framework includes:

- **Interconnection Queue Prioritization Based on Tax Credit Eligibility**
  - **Directs utilities to prioritize projects in the interconnection queue that are eligible for federal tax credits.**
  - **Require Projects to demonstrate that they have begun construction and are projected to achieve in-service dates consistent with Internal Revenue Service ("IRS") tax credit deadlines to qualify for priority treatment.**

- **Classification of Projects for Queue Management**
  - **Organizes Projects into categories:**
    - **Group A – Projects that do not require Qualifying Upgrades (certain upgrades subject to cost sharing rules) and that have begun construction and plan to be in service by the relevant federal tax credit deadline can be moved up in the interconnection queue processing.**
  - **This structure is intended to help utilities manage their workload by advancing projects that both support State clean energy goals and leverage available federal funding.**

- **Requirements for Documentation and Timing**
  - **Developers seeking priority must submit documentation to the utility within a specified time such as:**
    - **Evidence of construction commencement;**

- **Expected placed-in-service dates;**
- **Information required by the IRS for tax credit guidance.**

- **Utilities will use this information in determining the priority position of projects in the interconnection studies and planning phase.**

Existing Challenges with SCADA:

Certain governmental customers are facing challenges with the Authority's SGIP SCADA requirements. As part of the interconnection process, certain DER projects are required to install SCADA telecommunication equipment for real-time monitoring and control by the Authority, ensuring grid safety and reliability. Through SCADA, the Authority can see generator output, check voltage and breaker status, receive alarms, and send commands (*e.g.*, trip, curtail, change settings). Given the increasing volume of DERs in the Authority's service area, supervision and coordination are of utmost importance.

SCADA services are provided by Verizon, and currently customers and developers are required to work directly with Verizon to install the SCADA communication connection as part of the interconnection process. The SCADA interconnection process is complex; therefore, many customers take advantage of Verizon's Partner Program. The Verizon Partner Program offers SCADA interconnection support through a third-party contractor. However, government entity customers cannot participate in the Verizon Partner Program because they already receive a discount benefit through the Verizon National Program. This limitation imposed on government entity customers makes the SCADA interconnection process more tedious and complex for government customers, resulting in longer interconnection timelines.

Proposed Action

Staff proposes the following modifications to the SGIP to align with the Statewide SIR:

1- **Extend Payment Timing (Exhibit E) - Changes to cost sharing provisions with 100% due at 120 days, instead of 90 days, to align with the June 2025 Order.**
2- **Energy Storage Scheduling (Exhibit K) - Changes to energy storage scheduling adding charging/discharging time frames to align with the June 2025 Order.**
3- **Interconnection Queue Management Changes interconnection timelines to accommodate tax-credit eligible projects to align with the January 2026 Order.**
4- **Implementation of Pilot Program (Appendix A1)– to assist certain governmental customers with the SCADA interconnection process. This pilot program will offer PSEG Long Island resources including project management, customer service, and Verizon bill processing to assist those government entity customers that are unable to receive such SCADA services through the Verizon SCADA interconnection process. The SGIP will be amended to add Appendix A1 which will be utilized for government entities only.**

Financial Impact

There are no material financial impacts to align with these Commission Orders.

Stakeholder Comments and DPS Recommendations

Two public comment sessions were held on LIPA's tariff proposals, and written comments were also solicited from interested stakeholders. LIPA received public comments from the New York Solar Energy Industries Association ("NYSEIA").

NYSEIA strongly supports LIPA's proposed modifications to the SGIP and recommends that any requirements related to demonstrating eligibility for tax credit prioritization be applied with appropriate flexibility.

Additionally, NYSEIA supports the proposed pilot program and recommends clarification that LIPA will transition to a utility-managed model that applies to all SCADA-related equipment and systems at the project site and to consider using an upfront billing structure to recover those costs associated with the implementation of the SCADA pilot.

The New York State Department of Public Service ("DPS") Staff supports the proposed tariff modifications and recommends that the Board of Trustees adopt the proposal. DPS Staff agrees with LIPA's proposal that include changes aligning with the statewide approach under the Commission's June 2025 and January 2026 Orders and notes that a plan is in place for further revisions to implement the full queue management structure introduced in the 2026 Order. DPS Staff further believes that LIPA's proposed SCADA pilot program will help accelerate DER deployment on Long Island and support the progress toward the State's clean energy goals. Lastly, DPS Staff encourages NYSEIA's continued participation in the Statewide technical and policy interconnection working groups.

LIPA Staff's Response

LIPA Staff appreciates NYSEIA's supporting comments and agrees with DPS Staff's recommendations. LIPA looks forward to working with NYSEIA in shaping its SCADA pilot program.

UBP Update

Background

Establishment of Uniform Business Practices and Uniform Business Practices for Distributed Energy Resource Suppliers

In 1999, the Commission issued the UBP which established standardized retail access business rules and procedures for the regulated electric and gas utilities, including the rules and

practices governing ESCOs' interactions with customers and utilities. As the competitive retail energy market has evolved in New York, the Commission has revised the UBP to reflect changes in the market. In 2017, the Commission issued the PSC UBP-DERS to "govern the integration of [distributed energy resources ("DERs")] into New York's electric system, as well as the rights and responsibilities of DER suppliers."

In December 2018, the LIPA Board of Trustees adopted as an addendum to the LIPA Tariff the UBP-DERS-LIPA which is largely consistent with the Commission's PSC UBP-DERS and in December 2021, the LIPA Board of Trustees adopted as an addendum to the Tariff the UBP-LIESCO which is largely consistent with the Commission's PSC UBP.

Energy Brokers and Energy Consultants

In 2022, Public Service Law ("PSL") §66-t was enacted requiring energy brokers and energy consultants ("EB&Cs") to register with the Commission to ensure transparency and accountability in a formerly unregulated marketplace. PSL §66-t requires EB&Cs to disclose to customers their form and amount of compensation and prohibits them from offering rebates to the energy ratepayer and its agent as an inducement for enrollment in energy-related products or business. The statute also requires EB&Cs to demonstrate financial accountability "by a bond or other method of financial accountability."

On June 23, 2023, the Commission issued an order adopting the requirements of PSL §66-t through amendments to the PSC UBP and PSC UBP-DERS (the "June 2023 Order"). The June 2023 Order: 1) identifies the entities that are covered under the statutory definitions of "energy broker" and "energy consultant" and are subject to the statute's new registration, annual fee requirements, and enforcement provisions; 2) establishes a registration process; and 3) addresses issues related to compensation disclosure, the timing of registration, the use of customer data, the method of financial accountability, ESCO and DER supplier responsibilities, and other related matters.

On November 13, 2025, the Commission issued an order adopting further modifications to the Uniform Business Practices ("the November 2025 Order") that enhanced consumer protections and transparency requirements for ESCOs.

On January 28, 2026, the Commission issued an order further amending the PSC UBP and PSC UBP-DERS requiring registered EB&Cs to demonstrate financial accountability by posting a surety bond or providing a letter of credit ("January 2026 Order").

Amendment to the New York State General Business Law

In 2023, New York State General Business Law ("GBL") §349-d (6) and (7) were amended to: 1) require ESCOs to provide more detailed notice regarding changes to, and renewals of, ESCO contracts with customers; and 2) list the new disclosures that ESCO's must include in customer contract renewal notices. On November 13, 2025, the Commission issued an order modifying the PSC UBP and PSC UBP-DERS to reflect these changes, including additional details on what is defined as a "material change" to an ESCO contract, and the required disclosures needed in ESCO contract renewal notices.

Proposed Action

LIPA Staff proposes to amend the UBP-LI-ESCO and the UBP-DERS-LIPA to align with the updates to the PSC UBP and PSC UBP-DERS ordered by the Commission in the June 2023, November 2025 and January 2026 Orders. Specifically, LIPA Staff proposes to:

1. **Establish Energy Broker and Energy Consultant registration requirements for operation in the LIPA service territory in alignment with the June 2023 and January 2026 Orders including:**
    a) **Submittal of a form and payment of a fee;**
    b) **Demonstration of financial security;**
    c) **Disclosure that the ESCO's do not represent the Authority;**
    d) **Requirement that ESCO's only accept enrollments and payments from brokers and consultants that are registered; and**
    e) **Requirement that EB&Cs include plain-language information on its products and services and providing emergency utility contact information to customers that request it.**

2. **Implement enhanced consumer protections and transparency requirements for ESCOs in alignment with the November 2025 Order:**
    a) **Stronger price transparency and material change rules requiring express customer consent before an ESCO can make any material change to contract terms; and**
    b) **Revised Contract Renewal Notification requiring ESCOs to provide detailed contract renewal notices to customers.**

Financial Impact

There are no material financial impacts to the Authority or customers.

Stakeholder Comments and DPS Recommendations

Two public comment sessions were held on LIPA's tariff proposals, and written comments were also solicited from interested stakeholders. LIPA did not receive public comments directly pertaining to the proposed tariff changes.

DPS Staff supports the proposed modifications that align with the Commission Orders and recommends that the Board of Trustees adopt the modifications as proposed.

LIPA PPTN Formula Rate

Background

LIPA voluntarily participates in the Public Policy Transmission Planning Process that is administered by the New York Independent System Operator ("NYISO"). This planning

process involves the assessment of needs for potential transmission solutions within the New York State bulk power transmission system driven by public policy requirements, as identified by the New York State Public Service Commission ("NYS PSC"). LIPA provides recommendations to the NYS PSC to address potential public policy requirements that drive transmission needs within the Long Island Transmission District.

Upon a NYS PSC determination that there are public policy requirements driving an identified need for transmission solutions within the NYS bulk power transmission, the NYISO conducts a solicitation of proposals and selects the most efficient or cost-effective transmission solution(s). The selected solution, is referred to as the "Public Policy Transmission Project." The NYISO also identifies "Designated Entities" that are responsible for constructing, owning, and operating those transmission facilities and associated network upgrades that are necessary to implement the Public Policy Transmission Project. A Designated Entity can include the selected developer, an entity partnering with the selected developer or an interconnecting transmission owner that owns the facilities that are to be replaced, or upgraded, as part of the Public Policy Transmission Project.

In June 2023, the NYISO selected the Propel Project as the transmission solution addressing the public policy transmission needs within the Long Island Transmission District that were identified by the NYS PSC.[19] The NYISO then classified LIPA as a Designated Entity to construct and operate the transmission facilities and network upgrades that the NYISO determined were necessary to implement the Propel Project. As a Designate Entity, LIPA initiated the planning, design and procurement of equipment associated with those project elements and network upgrades identified by the NYISO.

LIPA now proposes to adopt the LIPA PPTN Formula Rate and Implementing Protocols for the accounting of costs incurred in the construction and operation of the transmission facilities and network upgrades identified by the NYISO located within the Long Island Transmission District and for the calculation of an annual revenue requirement.

<u>Proposed Action</u>

LIPA Staff proposes the adoption of the LIPA PPTN Formula Rate and Implementing Protocols to facilitate cost recovery of those costs incurred by LIPA in constructing and operating the transmission facilities and network upgrades pursuant to its role as a Designated Entity under the Public Policy Transmission Project planning process. The formula rate template will account for the costs incurred by LIPA and will determine LIPA's annual transmission revenue requirement ("ATRR") for the period between July 1 to June 30 ("Rate Year"). LIPA will use the prior calendar year's historical cost of service as a projection for the Rate Year revenue requirement. A true-up adjustment will be made during the subsequent Rate Year to address any differences identified between the transmission revenues received and the actual costs incurred during that calendar year which will be reflected as an adjustment including interest. The use of historical cost of services as a proxy projection with a true-up adjustment for actual costs adheres to established cost-of-service principles for electric utilities.

Inputs to the LIPA PPTN Formula Rate are sourced from audited financial reports and accounting records maintained by LIPA in a manner equivalent to FERC Form No. 1 requirements and procedures. Further, the LIPA PPTN Formula Rate includes a return on equity of 9.75% as well as a deemed capital structure of 51% Equity and 49% Long-term Debt.

The LIPA PPTN Formula Rate includes the following elements:

Long Island Power Authority

Line Item	Item Description	Source
1	A) Net Electric Plant in Service	
2	Net Transmission Plant	
3	Net General Plant	
4	B) Rate Base Adjustments	
5	* Cash Working Capital	
6	* Materials & Supplies	
7	* Prepayments	
8	* Land Held for Future Use	
9	* CWIP	
10	* Abandoned Plant	
11	* Regulatory Asset	
12	**TOTAL (sum lines 2-11)**	

Long Island Power Authority

Line Item	Item Description		Source
1	Operation & Maintenance Expense		O&M Expense (FERC Accounts 560-573)
2	Administration & General Expenses		A&G Expense (FERC Accounts 920-935)
3	Depreciation & Amortization Expense		Depreciation Expense (Project Specific Depreciation + Depreciation for FERC Accounts 390-399)
4	**TOTAL OPERATING EXPENSE**	$ -	O&M + A&G + Depreciation Expense
5	**RATE BASE**	$ -	Rate Base
6	Return on Rate Base		Rate Base * Rate of Return
6a	Total Project Specific Return Adustment		Project Specific Adjustement
7	**TOTAL REVENUE REQUIREMENT**		Operating Expense + Return on Rate Base + Project Specific Return Adjustments
8	Incentive Return	$ -	Project Specific Incentive Return
9	True-up Adjustment	$ -	True Up
10	Taxes (PILOT)	$ -	Taxes
11	**NET ADJUSTED REVENUE REQUIREMENT**		(sum lines 7-10)

The Implementing Protocols incorporate a public input process that includes notice of the applicable ATRR, a public information request window, a challenge period and dispute resolution procedures. Specifically, LIPA will hold a remotely accessible stakeholder meeting for interested parties between 20 and 40 days following the posting of the ATRR for the applicable Rate Year.

Interested parties will have 120 days to submit information requests. Disputes regarding information requests will be reviewed and acted upon by LIPA's Chief Executive Officer. Written challenge regarding the data and inputs used in the calculation of the ATRR as well as LIPA's compliance with the Formula Rate and implementing protocols may be filed by interested parties.

A formal Board review request will be considered. Formal Board review of a challenge will include submission of written briefs and other supporting evidence to the Hearing Officer, LIPA's Chief Financial Officer. Upon review and consideration of the record, the Hearing Officer will issue a report and recommendation to the LIPA Board. The Board must then make a final determination and recommendation. Any required ATRR adjustments resulting from the public review process will be reflected, with interest, in the following year's true-up adjustment.

Financial Impact

The cost recovery of the costs incurred by LIPA as a Designated Entity under the Public Policy Transmission Project Planning Process for the Propel Project is subject to statewide cost

allocation on a load ratio share basis. The current load ratio share allocation for LIPA, as a load-serving entity, is approximately 12.5%.

Stakeholder Comments and DPS Recommendations

Two public comment sessions were held on LIPA's tariff proposals, and written comments were also solicited from interested stakeholders. LIPA did not receive public comments directly pertaining to the proposed tariff changes to the proposed tariff changes.

DPS Staff has reviewed LIPA's Implementing Protocols for its annual update process and agrees that these Protocols will ensure the accuracy of the annual update because it will occur after the annual release of their audited financials. DPS Staff recommends that LIPA coordinate with DPS Staff in the months leading up to the publication of the annual update and confer. By April 1 of each year, LIPA should confer with DPS Staff regarding the updated costs being utilized as inputs to the Formula Rate for the annual update and any other changes being made, including accounting changes or changes resulting from the challenge process. This coordinated review will bolster the integrity of the annual update process, benefiting all parties.

Based on DPS Staff's review, LIPA's implementation Protocols and formula rate template are consistent with Commission Orders and with current practices undertaken by other developers for comparable projects. LIPA's proposed formula rate template is correctly structured to calculate the ATRR. While LIPA is currently proposing to recover costs associated with the costs incurred in association with the Propel NY project, the NYISO tariff allows the RTFC to apply to other PPTN projects in the future. DPS recommends that LIPA coordinate with DPS prior to expanding the scope of the RTFC to recover costs for projects other than Propel NY.

DPS Staff recommends that the Board approve the proposal in accordance with the recommendations.

LIPA Staff's Response

LIPA Staff appreciates the support from the DPS and agrees with the recommendations the DPS staff provides.

Public Comments

Written comments regarding LIPA's tariff proposals were solicited from interested stakeholders until June 6, 2026. LIPA held two public comment sessions on June 1, 2026, (i) a morning session for customers of Suffolk County and (ii) an evening session for customers of Nassau County.

Transcripts of the public comment sessions and a compendium of written comments received are attached as exhibits, and the comments are summarized above, together with responses from LIPA Staff.

Recommendation

For the foregoing reasons, I recommend that the Trustees approve the modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

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

1975. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO SMALL GENERATOR INTERCONNECTION PROCEDURES ("SGIP") UPDATES

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on April 1, 2026, public hearings were held on June 1, 2026, in Suffolk County and in Nassau County, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's Tariff, are hereby adopted and approved to be effective July 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

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1976. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO LIPA UNIFORM BUSINESS PRACTICES ("UBP") UPDATES

WHEREAS, the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on April 1, 2026, public hearings were held on June 1, 2026, in Suffolk County and in Nassau County, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's Tariff are hereby adopted and approved to be effective July 1, 2026; and be it further

RESOLVED, that the Chief Executive Officer and designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

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1977. APPROVAL OF THE ADOPTION OF A FORMULA RATE FOR COST RECOVERY OF UPGRADES ASSOCIATED WITH PUBLIC POLICY TRANSMISSION NEED PROJECTS

WHEREAS, the Long Island Power Authority ("LIPA") participates as a non-jurisdictional utility in the New York Independent System Operator ("NYISO") upon the condition that, pursuant to Sections 1020-f(u) and 1020-s of the Public Authorities Law, the LIPA Board of Trustees retains its authority to fix rates and charges for the construction and operation of the LIPA transmission system at the lowest level consistent with sound fiscal and operating practices and which provide for safe and adequate service;

WHEREAS, LIPA voluntarily participates in NYISO's Public Policy Transmission Planning Process which encompasses the need assessments, proposal, selection, implementation, and cost recovery for transmission facilities and network upgrades necessary to implement an identified Public Policy Transmission Need;

WHEREAS, as a participant in the Public Policy Transmission Planning Process and owner and operator of the LIPA system, there will be instances where LIPA is identified as a Designated Entity and responsible for the construction, ownership and operation of transmission facilities and network upgrades implementing a selected Public Policy Transmission Needs ("PPTN") Project;

WHEREAS, LIPA has been identified as a Designated Entity with responsibility to construct, own and operate certain transmission facilities and network upgrades implementing the Long Island Offshore PPTN Project announced by NYISO in June 2023 and has initiated development and construction of such facilities and upgrades;

WHEREAS, LIPA staff have developed and published for notice and comment a LIPA PPTN Formula Rate Methodology and Implementing Protocols for the calculation of LIPA's costs associated with a selected PPTN project (the "Proposal");

WHEREAS, the proposed LIPA PPTN Formula Rate template includes set inputs for the use of a return on equity and deemed capital structure while also providing for the tracking and recovery of construction work in progress ("CWIP") and prudently incurred costs for PPTN-related transmission facilities or network upgrades which have been cancelled or abandoned due to reasons beyond LIPA's control ("Abandoned Plant");

WHEREAS, Staff recommends the adoption of the LIPA PPTN Formula Rate Methodology and Implementing Protocols;

WHEREAS, Staff also recommends that the Trustees authorize the use of a 9.75% return on equity and deemed capital structure of 51% equity and 49% long-term debt as inputs to the Formula Rate calculation;

WHEREAS, Staff recommends that the Trustees authorize the inclusion of 100% of CWIP in rate base during the development and construction phase of the transmission facilities and network upgrades for which LIPA has been named the Designated Entity ("CWIP Cost Recovery") and the recovery of 100% of prudently incurred costs resulting from an abandonment or cancellation of such transmission facilities or network upgrades, where such abandonment or cancellation is due to reasons beyond LIPA's control ("Abandoned Plant Cost Recovery");

WHEREAS, for the Long Island Offshore PPTN Project, there is a statewide cost allocation of all incurred costs on a load ratio share basis, which shall apply to cost recovery of LIPA's annual transmission revenue requirement, as calculated pursuant to the LIPA PPTN Formula Rate Methodology and Implementing Protocols;

WHEREAS, the approval by the Trustees of the LIPA PPTN Formula Rate Methodology and Implementing Protocols will establish the rate development process and source of data inputs used to derive the annual transmission revenue requirement for LIPA's construction, ownership, and operation of transmission facilities and network upgrades for which it has been identified as the Designated Entity as part of a PPTN Project such that the Trustees would not be required to provide annual approval of the specific values calculated under the formula, but would afford for executive oversight of the implementation of the Formula Rate and coordination with the NYISO on cost recovery of LIPA's annual transmission revenue requirement for PPTN Projects;

WHEREAS, the Department of Public Service is supportive of this Proposal; and

WHEREAS, notice of the Proposal was published in the State Register on April 1, 2026; public hearings were held on June 1, 2026, in Suffolk County and in Nassau County, by phone and video conference accessible to all customers in LIPA's service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, for the reasons given herein and in the accompanying Memorandum:(1) the Proposal is hereby approved, including: the adoption and implementation of the PPTN Formula Rate Methodology and Implementing Protocols, use of a 9.75% return on equity; application of a deemed capital structure of 51% equity and 49% long-term debt; and authorization of 100% CWIP Cost Recovery and Abandoned Plant Cost Recovery; (2) the use of a statewide load ratio share cost allocation basis in the recovery of LIPA-incurred costs, as a Designated Entity, for the Long Island Offshore PPTN Project is hereby confirmed; and (3) Staff are hereby directed to undertake such actions as are necessary to implement the use of the LIPA PPTN Formula Rate to calculate LIPA's annual transmission revenue requirement for PPTN Projects for which it is the Designated Entity.

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Chair Edwards then announced that the next Board meeting is scheduled for Wednesday, September 23, 2026.

Chair Edwards then asked for a motion to adjourn to Executive Session to discuss personnel 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:

1978. 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 personnel matters.

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At approximately 1:39 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.

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