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| Board Policy: | Resource Planning, Energy Efficiency and Renewable Energy |
| Policy Type: | Mission |
| Monitored by: | Oversight Committee |
| Board Resolution: | Resolution #1372, approved July 26, 2017 |

Board Policy on Resource Planning, Energy Efficiency and Renewable Energy

It is the policy of the Long Island Power Authority to supply the energy needs of the Authority's customers in a clean, reliable and affordable manner by:

- Planning for and maintaining a power supply portfolio that meets applicable New York State Independent System Operator and New York State Reliability Council requirements, environmental standards, and the State's Clean Energy Standard;
- Managing the power supply portfolio to minimize cost and maximize performance, including power plant availability and thermal efficiency, within contractual constraints;
- Minimizing cost by competitively procuring generation and distributed energy resources through wholesale market purchases, bilateral contracts, and if appropriate, after balancing cost and risk, ownership or pre-payments for energy¹, utilizing to the extent feasible and cost-effective, Authority-owned land and rights to acquire legacy generating sites;
- Procuring cost-effective renewable resources, renewable energy certificates, and behind-the-meter resources such as energy efficiency and demand response, including acting in coordination with other State energy authorities, if advantageous to our customers. In selecting among reasonably comparable alternatives, the Authority will opt for lower carbon-emitting resources;
- Minimizing cost by representing the interests of Long Island electric customers in the New York and regional wholesale markets and their respective stakeholder processes, as well as direct engagement with appropriate Federal and State regulatory authorities;
- Integrating cost-effective distributed energy production and storage technologies into the power supply portfolio and enabling the economic and secure dispatch of resources deployed within the distribution system and within customer premises;
- Updating the Integrated Resource Plan to reassess system needs, when such updates are necessary, but no less often than every five years.

The Chief Executive Officer will report at least annually to the Board of Trustees on:

- Compliance with applicable regulatory and environmental standards and the State's Clean Energy Standard;
- Performance of individual generation resources against industry benchmarks and contractual standards;
- Activities undertaken to procure generation, renewable and distributed energy resources in a cost-effective manner;
- Activities undertaken to represent the interests of Long Island electric customers at the State, regional and Federal levels; and
- Resource adequacy of the power supply portfolio relative to the expectations of the most recent Integrated Resource Plan.

¹ LIPA owns an 18% share of Nine Mile Point Unit 2 and has certain options to buy generation assets, typically at the expiration of a power purchase agreement, or to prepay for energy in exchange for a discount. LIPA will not take construction or development-related risks on new generation projects.