

**LONG ISLAND POWER AUTHORITY**  
**MINUTES OF THE OVERSIGHT COMMITTEE MEETING**  
**HELD ON JULY 26, 2017**

The Oversight Committee of the Long Island Power Authority (the "Authority") was convened at 8:50 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on July 21, 2017; and electronic notice posted on the Authority's website.

The following Trustees of the Authority were present:

**Sheldon Cohen, Acting Chair<sup>1</sup>**  
**Matthew Cordaro**  
**Peter Gollon**  
**Thomas McAteer**

Representing the Authority were Thomas Falcone, Chief Executive Officer; Joseph Branca, Chief Financial Officer; Jon Mostel; General Counsel & Secretary to the Board of Trustees; Bobbi O'Connor, Vice President of Policy, Strategy and Administration & Assistant Secretary to the Board of Trustees; Rick Shansky, Vice President of Operations Oversight; and Kenneth Kane, Vice President of Financial Oversight.

Representing PSEG Long Island were David Lyons, Vice President of Business Services, Michael Voltz, Director, Energy Efficiency & Renewables; and Bryan Irrgang, Manager of Load Forecasting

*Acting Committee Chair Cohen welcomed everyone to the Oversight Committee meeting of the Long Island Power Authority Board of Trustees and stated that the first item on the agenda was the adoption of the minutes from the May 24, 2017 Committee meeting.*

*Upon motion duly made and seconded, the minutes of the May 24, 2017 meeting were approved unanimously.*

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<sup>1</sup> Trustee Cohen was Acting Chair, in Trustee Abramowitz's absence

*The Acting Chair then stated that the next item on the agenda was a discussion of PSEG Long Island's Presentation on Load Forecast and Energy Efficiency Trends, which was presented by Michael Voltz and Bryan Irrgang.*

*Mr. Voltz and Mr. Irrgang discussed the Presentation on Load Forecast and Energy Efficiency Trends and then took questions from the Trustees.*

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*Acting Chair Cohen then stated the next item on the agenda was the Consideration of Recommendation of Approval of Board Policy on Customer Service, which was presented by Rick Shansky.*

*Mr. Shansky presented the following action item and took questions from the Trustees.*

#### **Requested Action**

The Oversight Committee (the "Committee") of the Board of Trustees is requested to approve a resolution (attached as Exhibit A) recommending that the Board adopt the proposed Board Policy on Customer Service (the "Policy", attached as Exhibit B) for the Long Island Power Authority and its subsidiary, LIPA (collectively the "Authority").

#### **Background**

Staff requests the Board to provide policy guidance regarding Customer Service to create a framework for ongoing efforts to maintain and improve customer service and for Staff's oversight of such efforts.

Other public power utilities, such as Sacramento Municipal Utility District, Omaha Public Power District, and Jacksonville Electric Authority, have established similar frameworks to guide their operations.

#### **Discussion**

The recommended Policy seeks to ensure that: (1) customers are offered innovative and cost effective solutions tailored to best meet their needs for clean, reliable, and affordable service; (2) investments are made to provide the emerging capabilities and technologies required to meet the future needs of customers to exercise more choice and more control over their use of electricity; (3) courteous service is provided in a timely manner; (4) cyber and physical information is properly managed to reduce risk; and (5) communications to customers convey respect and provide accurate and timely information.

The foregoing objectives are consistent with the goals set forth in the Amended & Restated Operations Services Agreement (“OSA”) and provide further context to the administration of performance metrics established pursuant to the OSA and the Budgets and Rate Plans submitted to the Board. Moreover, the Policy establishes regular performance reporting by Staff to enable the Board to assess progress against the goals of the Policy.

### Recommendation

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

*A motion was duly made and seconded, and the Trustees unanimously adopted the following resolution:*

### RECOMMENDATION OF APPROVAL OF BOARD POLICY ON CUSTOMER SERVICE

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WHEREAS, the Oversight Committee (“Committee”) recognizes that customer service is a cornerstone for building customer satisfaction with, and achieving the mission of, the Authority; and

WHEREAS, the Committee recognizes that providing innovative services to meet customer needs and protect customer information may require investments in new technologies for delivering new services and improving customer communications; and

WHEREAS, the Committee has reviewed the proposed Policy on Customer Service and believes it is reasonable and appropriate to adopt it for the reasons set forth in the accompanying memorandum:

NOW, THEREFORE, BE IT RESOLVED that, consistent with the accompanying memorandum, the Committee recommends that the Board of Trustees adopt the proposed Policy on Customer Service in the form attached to the accompanying memorandum.

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*Acting Chair Cohen then stated the next item on the agenda was the Consideration of Recommendation to Approve Board Policy on Reliability, which was presented by Rick Shansky.*

*Mr. Shansky presented the following action item and took questions from the Trustees.*

### Requested Action

The Oversight Committee (the “Committee”) of the Board of Trustees is requested to approve a resolution (attached as Exhibit A) recommending that the Board approve a

resolution (attached hereto as Exhibit A) adopting the proposed Board Policy on Transmission & Distribution (“T&D”) System Reliability (the “Policy”, attached hereto as Exhibit B) for the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority”).

### Background

Staff requests the Trustees to provide policy guidance regarding T&D System reliability to create a framework for PSEG Long Island’s ongoing efforts to maintain and improve T&D service reliability and for Staff’s oversight of such efforts. Other public power utilities, such as Sacramento Municipal Utility District, Omaha Public Power District, and Jacksonville Electric Authority have established similar frameworks to guide their operations.

### Discussion

The recommended Policy seeks to ensure that the Authority maintains a high level of T&D service reliability at an affordable cost and enables customers to access clean energy resources. To that end, the Policy addresses five key areas: regulatory standards, performance standards, customer experience, protection against threats, and integration of new technologies.

The foregoing objectives are consistent with the goals set forth in the Amended & Restated Operations Services Agreement (“OSA”) and provide further context to the administration of performance metrics established pursuant to the OSA and the Budgets and Rate Plans submitted to the Board. Moreover, the Policy establishes regular performance reporting by Staff to enable the Board to assess progress against the goals of the Policy.

### Recommendation

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

*A motion was duly made and seconded, and the Trustees unanimously adopted the following resolution:*

### RECOMMENDATION OF APPROVAL OF BOARD POLICY ON TRANSMISSION & DISTRIBUTION SYSTEM RELIABILITY

WHEREAS, the Oversight Committee (“Committee”) recognizes that providing a high level of electric service reliability is the primary mission of, the Authority; and

WHEREAS, the Committee recognizes that achieving and maintaining a high level of reliability requires ongoing investment in the T&D System and that a reliable and resilient electric grid is a key component of the transition to clean energy; and

WHEREAS, the Committee has considered and agrees with the Policy on Transmission & Distribution System Reliability described in and attached to the accompanying memorandum:

NOW, THEREFORE, BE IT RESOLVED that, consistent with the accompanying memorandum, the Committee recommends that the Board of Trustees adopt the proposed Policy on Transmission & Distribution System Reliability, in the form attached to the accompanying memorandum.

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*Acting Chair Cohen stated that next item on the agenda was the Consideration of Recommendation to Approve Board Policy on Resource Planning, Renewables and Efficiency which was presented by Rick Shansky.*

*Mr. Shansky presented the following action item and took questions from the Trustees:*

#### **Requested Action**

The Oversight Committee (the “Committee”) of the Board of Trustees is requested to approve a resolution (attached as Exhibit A) recommending that the Board adopt the proposed Board Policy on Resource Planning, Energy Efficiency and Renewable Energy (the “Policy”, attached as Exhibit B) for the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority”).

#### **Background**

Staff requests the Board to provide policy guidance regarding the composition of the Authority’s power supply portfolio and to establish the objectives to be met by PSEG Long Island in its resource planning, power supply procurement, and energy efficiency programs. Other public power utilities, such as the Sacramento Municipal Utility District, Omaha Public Power District, and Jacksonville Electric Authority have established similar policy frameworks.

#### **Discussion**

The recommended Policy seeks to ensure that resource planning, power supply procurement, and energy efficiency programs are conducted in a manner that supports the Authority’s mission and meets the State’s clean energy goals. Such objectives are to be used in the administration of performance metrics for the Amended and Restated Operations Services Agreement and the creation of Budgets and Rate Plans submitted to the Board.

Moreover, the Policy establishes regular performance reporting by Staff to enable the Board to assess progress against the goals of the Policy.

**Recommendation**

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

*A motion was duly made and seconded, and the Trustees unanimously adopted the following resolution*

**RECOMMENDATION OF APPROVAL OF BOARD POLICY ON RESOURCE PLANNING, ENERGY EFFICIENCY AND RENEWABLE ENERGY**

WHEREAS, the Oversight Committee (“Committee”) recognizes that the Authority’s power supply portfolio complements the transmission and distribution system in providing reliable and affordable electric service and it represents the largest element of the Authority’s cost of service; and

WHEREAS, the Committee recognizes that resource planning must balance the sometimes competing objectives of clean, reliable and affordable electric service; and

WHEREAS, the Committee has considered and agrees with the Policy on Resource Planning, Energy Efficiency and Renewable Energy described in and attached to the accompanying memorandum:

NOW, THEREFORE, BE IT RESOLVED that, consistent with the accompanying memorandum, the Committee recommends that the Board of Trustees adopt the proposed Policy on Resource Planning, Energy Efficiency and Renewable Energy, in the form attached to the accompanying memorandum.

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*Acting Chair Cohen then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 9:40 a.m.*