

Board Policy: **Economic Development**  
Policy Type: **Operating Policies**  
Monitored by: **Finance and Audit Committee**  
Board Resolution: **#1356, approved March 29, 2017**

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## **Board Policy on Economic Development**

Promoting the economic growth and vitality of its service territory and the efficient use of utility plant and equipment furthers the mission of the Long Island Power Authority (“LIPA”) to its customer-owners and is consistent with LIPA’s enabling statutes. Therefore, LIPA will:

- a) Assist in attracting commercial customers to its service territory and helping such customers grow their businesses by offering rates that are discounted below LIPA’s average cost of service (and above LIPA’s marginal cost of serving new electric load or retaining existing load using facilities and investments that would otherwise be underutilized), without which rates such businesses would not locate in the service territory;
- b) Offer economic development rates and programs consistent with those offered by other utilities in the state or best practices within the electric utility industry, and in compliance with applicable law.

The Board of Trustees will monitor performance of this policy through an annual review of the economic development rates and programs offered by LIPA and its Service Provider with an emphasis on:

1. Reviewing customer and other stakeholder participation in such economic development rates and programs and assessing the costs and benefits of such programs;
2. Monitoring the number of jobs and businesses supported by the economic development activities of LIPA and its Service Provider, including the portion of such jobs and businesses that were newly attracted to the service territory based on the availability of economic development rates and programs; and
3. Monitoring the consistency and coordination of economic development activities with State and regional efforts and industry best practices.