



Department
of Public Service

LIPA Board of Trustees Briefing

Carrie Meek Gallagher & Nick Forst

December 13, 2023

AGENDA

- **DPS LIO Overview**
- **Utility 2.0 & EE Plan Recommendations**
- **2024 Metrics Recommendations**
- **LIPA Tariff Modification Recommendations**

DPS LIO - Overview

- Created by the LIPA Reform Act (PSL §3-b)
 - “Review & Recommend”
 - Formal Rate Cases
 - Management & Operations Audits
 - Emergency Response Plans
 - Consumer Complaints
 - Energy Efficiency/Net Metering
 - Incentive Compensation
- All Divisions Represented in the LIO
- Diverse Staff
- Supporting Team DPS & NYS

Supporting State-Wide Endeavors

- **Rate Cases**
 - KEDNY/KEDLI - 2016, 2019, & 2023; NYSEG/RGE – 2022; Liberty Utilities – 2023
- **Article VII Projects**
 - Western Nassau, South Fork Wind, Sunrise Wind, Empire Wind 1 & 2, Beacon Wind, Queensboro Transmission, Anbaric Juno Power Express, and Anbaric Hera Power Link Transmission
- **Investigations and Enforcement**
 - Storm Investigations: Riley/Quinn, Isaias; Outages & Other Incidents; Facilities and Prudence Investigations
- **Financial and Management Audits**
- **Consumer Complaints**
- **Policy Development & Statewide Collaboratives**
- **Local Gas & Electric Infrastructure Inspections**

Recommendations – 2024 U2.0 & EE Plan

Utility 2.0 Programs

PSEG LI Proposal

- ❑ 10 Programs → (5 Active, 2 with Scope Expansions, 2 will be Operationalized, 1 Cancelled)
- ❑ Total Budget in 2024: \$24.95 Million.

<u>Active</u>	<u>Scope Expansions</u>	<u>Operationalized</u>	<u>Cancelled</u>
<ul style="list-style-type: none"> ▪ Connected Buildings ▪ IEDR ▪ Residential Storage Incentive ▪ Suffolk County Bus Make Ready ▪ Super Savers Patchogue 	<ul style="list-style-type: none"> ▪ EV Make-Ready (Fleet Make Ready) ▪ EV Programs (Charger Rebate & Phase In Rate) 	<ul style="list-style-type: none"> ▪ EV & Storage Hosting Capacity Maps ▪ Distributed Energy Resources Visibility Platform 	<ul style="list-style-type: none"> ▪ Utility Scale Storage - Miller Place

Utility 2.0 Continued...

DPS Recommends the following:

- Approval of all programs for Implementation.
- Total Budget of \$24.88 Million which reflects a downward adjustment of \$75K to the Connected Buildings Program to remove unnecessary marketing costs.
- PSEG LI should track costs, progress of projects, and Disadvantaged Communities and LMI spending where appropriate, as well as provide quarterly reports to DPS on all Utility 2.0 projects.
- PSEG LI should also provide quarterly updates specific to IEDR investments to align with the Commission order & IOUs.
- PSEG LI should educate customers about TOD rates when providing the residential charger rebate.
- PSEG LI should anticipate higher levels of investment for its EV Make-Ready and Fleet Make Ready Programs.
- PSEG LI should develop a Commercial Managed Charging Program in 2025 that provides off peak charging incentives.
- PSEG LI to achieve timely completion of all Utility 2.0 portfolio projects in line with baseline schedules.

Energy Efficiency Plan

PSEG LI Proposal

- ❑ Total Budget – \$93.71 Million.
- ❑ Total EE Savings – 791,725 Million Btu's.
- ❑ Plan complies with new EISA Federal Lighting Rules.

Actively Funded Energy Efficiency Programs

- | | |
|---|--|
| <ul style="list-style-type: none">▪ Energy Efficient Products▪ Home Comfort▪ REAP (Low Income)▪ Commercial Efficiency▪ Home Comfort Market Development Fund | <ul style="list-style-type: none">▪ Home Performance▪ Multifamily▪ All Electric Homes▪ Home Energy Management▪ Dynamic Load Management▪ Community Solar |
|---|--|



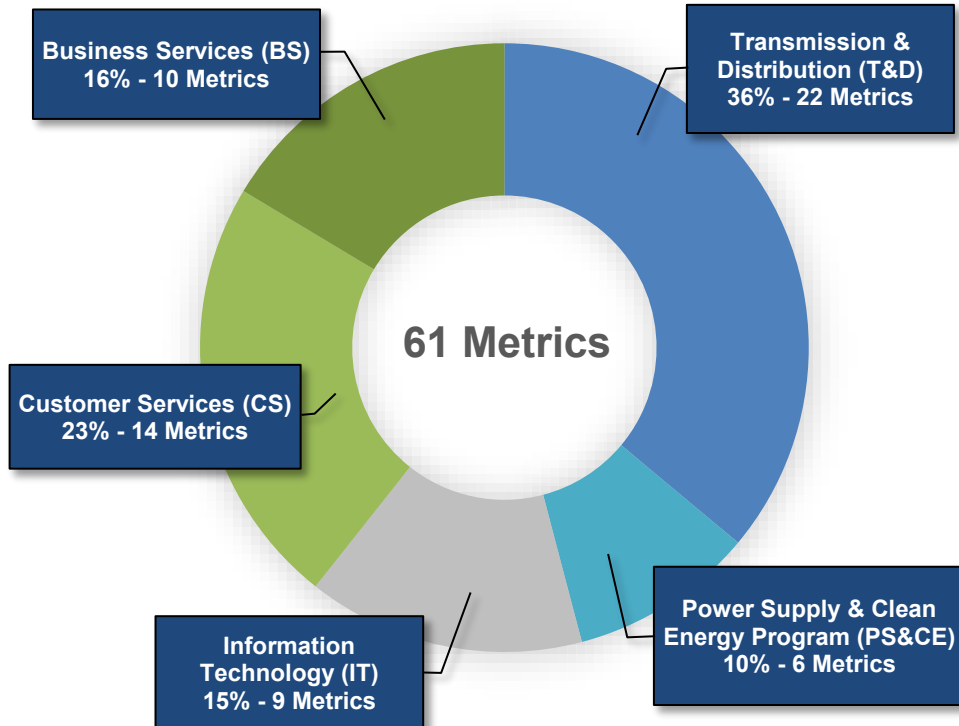
Energy Efficiency Continued...

DPS Recommends the following:

- Approval of all programs and proposed budgets totaling \$93.71 Million.
- PSEG LI should target a minimum of 35% of benefits towards Disadvantaged Communities.
- PSEG LI should comply with DAC reporting requirements issued by DPS and NYSERDA, and track LMI spending separately.
- PSEG LI & LIPA should utilize EE funding solely for programs that work towards the plan's goal.
- PSEG LI should coordinate with DPS and LIPA prior to changing any rebate levels offered through the Home Comfort Program.
- PSEG LI should utilize annual evaluations to report verified energy savings and incorporate realization rates into savings projections.
- PSEG LI should file Annual Reports and BCA's in Case 14-E-0423 to align with IOUs and to establish cost effectiveness of their Dynamic Load Management Programs (DLM).
- PSEG LI should submit Clean Energy Dashboard Scorecards to NYSERDA on a quarterly basis.

Recommendations – 2024 Performance Metrics

LIPA 2024 Proposed Performance Metrics



* Based on LIPA's submission on 10/03/2023

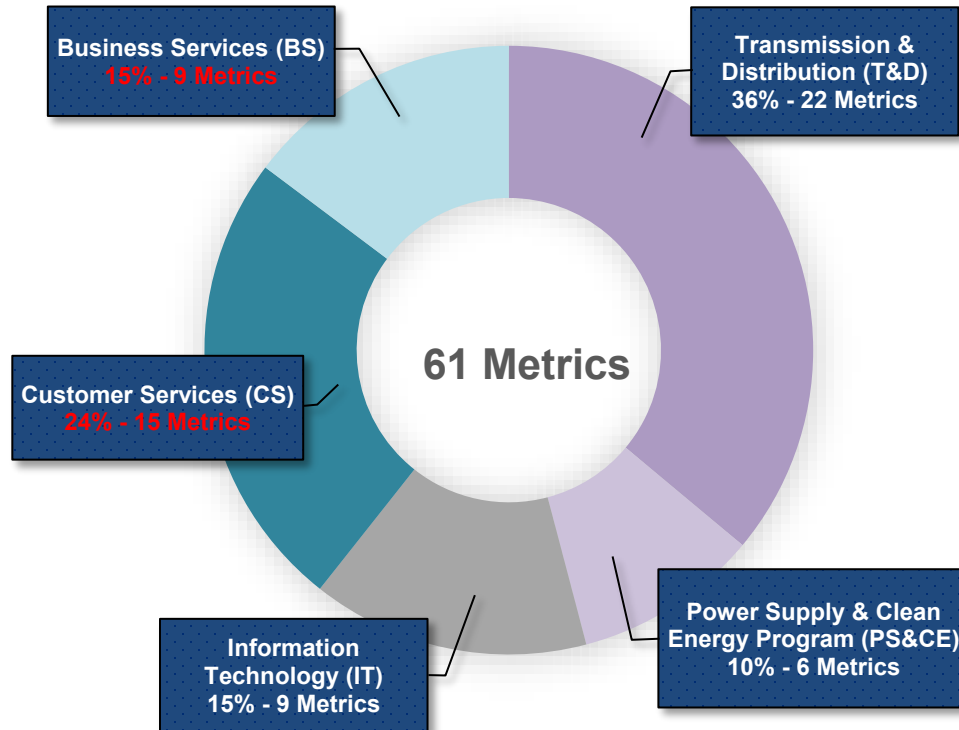
Allocated Compensation* by Metric Scope Functions	
BS	\$3.0M
CS	\$4.0M
IT	\$3.0M
PS&CE	\$2.0M
T&D	\$8.0M
Total	\$20M

* Compensation amount is in 2021 dollars and not adjusted for inflation

DPS Metrics Recommendations



Recommended 2024 Metrics



Allocated Compensation* by Metric Scope Functions	
BS	\$3.0M
CS	\$4.0M
IT	\$3.0M
PS&CE	\$2.0M
T&D	\$8.0M
Total	\$20M

* Compensation amount is in 2021 dollars and not adjusted for inflation

* Based on LIPA's November proposal incorporating DPS recommendations

Recommendations – LIPA's Proposed Tariff Modifications

December 2023 LIPA Tariff Proposals

- **DPS Recommends Approval of LIPA’s Proposals As Proposed:**
 1. Modify the rate design of Service Classification No. 2-MRP Large General and Industrial Service with Multiple Rate Periods (2-MRP) as part of LIPA’s annual Budget and Rate Update filing.
 2. Change the LI Choice Program/Community Choice Aggregation (CCA) Tariff provisions to align with recent policies and Commission Orders.
 3. Update the Demand Response (DR) program to accommodate behind-the-meter (BTM) storage customers.
 4. Expand eligibility requirements for the Low-to-Moderate Income (LMI) program.
 5. Clarify the collection mechanism of the New York State’s Clean Energy Standard (CES) Financial backstop Mechanism and recover the cost through the Power Supply Charge.
 6. Modify the Small Generator Interconnection Procedure (SGIP).
- DPS has specific recommendations to modify LIPA’s proposal for CCA under the “Rules and Governance” section.

Appendix

DPS Matters & Proceedings

Recent/Annual:

- Matter 21-00618: Management Audit of LIPA and PSEG LI, initiated December 15, 2021.
- Matter 22-00832: PSEG Long Island's Annual Executive Compensation Disclosure.
- Matter 22-00945: LIPA Tariff Changes, issued December 9, 2022.
- Matter 22-02436: PSEG LI Emergency Response Plan (ERP), issued June 7, 2023.
- Matter 22-00522: PSEG LI 2022 Incentive-Based Compensation, issued June 15, 2023.
- Matter 23-00071: LIPA Tariff Changes, issued March 28, 2023. (*Time of Day Rates*)
- Matter 14-01299: Utility 2.0 and EE Plan Review, issued November 1, 2023.
- Matter 23-02360: LIPA's Proposed 2024 Performance Metrics, issued November 10, 2023.
- Matter 23-00071: LIPA Tariff Changes, issued November 30, 2023.
- Matter 23-02551: PSEG LI ERP Review 2024.

Key/Important:

- Matter 15-00262: Three-Year Rate Proposal for Electric Rates and Charges Submitted by the Long Island Power Authority and Service Provider, PSEG Long Island LLC, issued September 28, 2015.
- Matter 15-02754: LI Choice Proceeding Whitepaper, issued October 22, 2021.
- Matter 16-01248: MOA of LIPA and PSEG LI, Final Report issued June 29, 2018.
- 2nd Amended & Restated Operations Service Agreement (OSA), DPS Recommendations, issued November 23, 2021.
- Matter 22-01870: LIPA & PSEG LI IT System Separation, issued October 31, 2022.

Questions?

