From: Fred Harrison, Food and Water Watch

To: Legislative Commission on the Future of the LIPA

The Commission is tasked with considering many important ratepayer concerns (A-N). We ask that the Commission seek answers to the following questions (italicized). Additionally, we hope there is opportunity for future public comment on these matters.

**A .** **The method of governance of the public authority**

*What form of governance would best promote ratepayer interests?*

*Are there legal /financial requirements binding LIPA to an appointive board? What provisions would need amendment to allow for an elected board?*

*If the board remains appointive, would the Commission consider an elective ratepayer advisory board with appropriate rights and responsibilities?*

The American Public Power Association (APPA) has material on governance structures. <https://www.publicpower.org/governance-resources>

Beyond the APPA , there are rigorous academic studies . Work by Besley (London School of Economics) and Coate (Cornell), confirm that elected boards are more pro-consumer than appointed boards. The “jist” of their findings is that appointed boards are more subject to broader issues and concerns (politics/patrons/”stakeholders”) than elected boards. Elected boards have a singular focus and are faced with direct electoral accountability. There are more recent studies which seem to confirm those findings.

“Elected versus Appointed Regulators: Theory and Evidence”

<https://econ.lse.ac.uk/staff/tbesley/papers/jeea.pdf>

B **Improved transparency, accountability, and public involvement**

*What changes would be required to provide LIPA ratepayers the same procedural and legal rights as ratepayers of NY’s IOUs*?

*What additional rights should LIPA ratepayers enjoy as constituents of a public power system?*

Right now, the rights of IOU ratepayers include: the right to file a brief during the hearing process; file discovery requests and cross examine witnesses; and provide expert testimony. (PULP Participating in a NYS Public Service Commission Proceeding, 2019)

*What are the relevant models for institutionalized public involvement?*

For example, Citizen Utility Boards exist across the country. <https://csrl.org/citizens-utility-board-cub> The Reimagine LIPA campaign has suggested an “observatory” model.

The APPA offers information on community engagement. https://www.publicpower.org/periodical/article/community-decisions-how-public-power-meaningfully-engages-local-stakeholders

*Under current legislation, would LIPA be authorized to institute one of the above models of public involvement?*

**C**  **Improved reliability of the system**

*Identification of new revenue sources for climate change mitigation*

**D The impact on electric rates**

*Full review of LIPA cost savings estimates as outlined in the options analysis.*

*What other long-term savings could be achieved through full municipalization?*

*In light of the provisions of the Inflation Reduction Act, would LIPA investment in, and ownership of, renewable energy resources reduce power supply costs?*

**E Improved storm response**

*Currently DPS oversees PSEG’s Emergency Response Plan (ERP). How might storm response improve with direct DPS oversight of LIPA?*

**F The powers required by LIPA to more effectively operate the utility**

*What are the legislative limitations on LIPA’s operations?*

*Does LIPA need legislative authorization to bring T & D management functions in house? If yes, what provisions would need revision?*

*Does LIPA currently have the authority to generate its own renewable power? If no, what provisions would need revision?*

**G. The oversight role of the Department of Public Service and the Public Service Commission over LIPA's operation**

*What are the legal/financial/ legislative impediments to bringing LIPA under increased oversight?*

*What would be the changes in oversight and regulation needed to afford LIPA ratepayers the same protections as those served by NY’s IOUs?*

*How are comparable public power systems regulated? What are their models of budget and rate adoption?*

**H. The impact on existing bonded indebtedness**

*Are there any bond covenant restrictions that would impede the full municipalization of LIPA?*

**I Improved long term energy planning**

*What are the current shortcomings in LIPA’s cooperation with NYSERDA?*

*Would an IRP be better executed by a non stakeholder? PSEG ( with some outside advisers) is currently carrying out the Integrated Resource Plan (IRP) on LIPA’s behalf.*

**J Compliance with the goals of the New York State Climate Leadership and Community Protection Act**

*In what way(s) is LIPA deficient in carrying out the goals of the CLCPA? What new initiatives may be required?*

**K Increased reliance on renewable energy sources to produce electricity**

*Are current LIPA initiatives for meeting 2030 CLCPA goals realistic and/or adequate?*

*Are there programs that LIPA should be pursuing that they are not?*

**L. Taxation and payments in lieu of taxes**

LIPA is nonprofit. Nevertheless, it is being required to pay over $600 million per year in “Payments in Lieu of Taxes” (PILOT) and other taxes. This works out to ***15% of a ratepayer’s bill***. All Long Islanders are paying 100s of millions of dollars/year subsidizing the few communities receiving PILOT payments. There are serious equity issues involved in this “transfer payment”. The rate savings in sunsetting PILOT payments would be substantial. LIPA has been trying to untangle this knot. See <https://www.lipower.org/wp-content/uploads/2018/07/LIPA-Tax-Reduction-Efforts-6_27_18-Web.pdf>

**M. The special needs of communities that are or have been  
 impacted by the siting of power generating facilities**

*See L. What would be a reasonable timetable for sunsetting PILOTS and taxes paid to school districts and municipal governments?*

**N. Any other matter relevant to the establishment of a public power model for the operation of LIPA**

1. *What, if any, obstacles would there be to preserving the full rights and benefits of PSEG (SERVCO) employees, current and retired?*
2. *What steps should LIPA be taking now to ready itself for PSEG’s contract termination? How should LIPA’s workplans and staffing be adjusted to accommodate new responsibilities?*
3. *How can LIPA hold and attract the kinds of skilled and experienced people needed to operate a “best in class” public power system ?*