

## Testimony Written for the Second LIPA Commission Hearing

My name is Billii Roberti, and I am a homeowner and business owner in Huntington Station.

**Disappointment in public turnout.** I am disappointed in the public response to these hearings. Perhaps it is because there has been little to no public outreach. Perhaps it is due to not having an evening in-person or virtual LIPA Commission hearing for those who do know about them. How can this be a public hearing if it's scheduled when the vast majority of the public are at work?

**My background.** I am an energy efficiency and renewable energy consultant with my own company, [Green Choices Consulting](#), which advises Long Islanders on green energy retrofits.

I am a member of the [Town of Huntington Advisory Committee on Energy Efficiency, Renewables, and Sustainability](#). I am also a founding member of the geothermal heat pump (GHP) trade association, [New York Geothermal Energy Organization](#), and am an [International Ground Source Heat Pump Association Accredited Installer](#).

I also worked until recently as a volunteer with advocacy organizations including Mothers Out Front and the [Renewable Heat Now campaign](#), a statewide coalition promoting the adoption of heat pumps. All of these positions have broadened and deepened my expertise.

I would like to say this Legislative Commission has a great opportunity to create a true public power model that residents of Long Island and the Rockaways can rely on. I foresee a brilliant future for LIPA if this transition is planned and implemented properly. In the conversations I have had with LIPA management this is what they want too. But as it is currently conducting business under a public-private model there are challenges ahead.

**PSEG LI has to go.** As a proponent of building electrification, I am concerned that people lack trust in their electric utility. People will not electrify their heating systems when they believe they cannot rely on the electric company that runs it. So I am actively involved with the [Reimagine LIPA campaign](#). We are committed to a new paradigm of energy management for we deserve better.

PSEG Long Island, LIPA's subcontractor, is unmanageable because a contract is based on trust. PSEG LI lacks integrity on many levels, including lying about having no knowledge of an expensive and seriously flawed emergency management system that failed its ratepayers during Tropical Storm Isaias.

Smart electric meters capture and relay near real-time consumption and near real-time power outage detection,<sup>1</sup> which could be transmitted to the Outage Management System (OMS). PSEG LI does not use this ability, but it can and should be utilized by LIPA. I know this because I have a smart meter and a few months ago, I received texts and emails from PSEG LI saying my power was out while I was at home using my computer! It assumed my electricity was out because a power pole a mile away was knocked down. In fact, no one on my circuit was affected.

The OMS should know exactly which circuits and buildings have lost power without customers having to report the problem. LIPA could be proactive, rather than reactive and actually *tell* the

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<sup>1</sup> PSEG Energize, "Smart meters: you asked, we answered," November 16, 2021, <https://energizepseg.com/2021/11/16/smart-meters-you-asked-we-answered/> accessed 9/18/2023. This is the PSE&G parent website.

customer about the outage, rather than the other way around. Having this data available almost immediately would enhance the repair and restoration times as well as consumer confidence.

Another example is the PSEG LI customer outreach panel that I am part of. Its focus seems more on PSEG LI's public perception and how to convince customers to take specific actions. It appears to have no interest in what customers need or want.

In order to plan for the future, the Utility 2.0 and Integrated Resource Plan, which PSEG writes, must have a clear vision of the where LIPA is going. It does not. The reports are rather "boiler-plate." They would be better prepared in-house or by consultants that know LIPA and its goals.

**Public-private partnership has to end.** But the problem runs deeper than one unreliable company contracted to provide the operations and maintenance of the grid. This is the *second* utility to run the electric system for LIPA and fail to deal adequately with a natural disaster.

It is clear that a public-private partnership is *simply unsuitable* for any electric utility. The problem is having a *middleman*. We need to get rid of the middleman.

**Misinformation from trade association.** I find it egregious that the Edison Electric Institute, the association that represents all U.S. investor-owned electric companies including PSEG LI, has spent a lot of money on advertisements distorting the purpose of the LIPA Commission. It is obvious the Edison Institute's purpose is to undermine this Commission's work. No doubt it is doing this at PSEG LI's behest so it can sway public opinion to continue this public-private model from which it benefits, but not the ratepayer.

However, the LIPA Commission has done nothing—no public relations, advertising, nor outreach—to explain to the public the purpose of the Commission or to counter the false claims the Edison Institute has made. Consequently, this information void is filled by those opposed to a LIPA that will perform all the operations and maintenance of its grid. Fear tactics brought opponents to the hearings.

**LIPA must run electric system.** I believe LIPA, as a nonprofit electric utility, must be in total control of the operations and maintenance, billing, and incentive programs. This will remove the extra layer between the ratepayer and LIPA that provides many of the disadvantages that come with privatization. LIPA needs to run the grid itself, *just like every other community-owned electric utility in the US*.

We are in the midst of a climate crisis. Our world is changing in response to it, and LIPA must be able to evolve as the NYS moves to electrify everything by 2050. It is now more vital than ever that our electric system be reliable, resilient, and renewably powered. LIPA needs to be flexible and responsive to the changing needs of the grid and its ratepayers.

The two major issues in transitioning have not been settled or even discussed with the public. Hearings are not discussions. They are one-way.

**Workforce.** One major issue is how to maintain the current workforce. We are relying on IBEW 1049 to guide the Commission in keeping intact the salaries, pensions, and other benefits of their members and other workers in Servco. They must remain under the protection of the National Labor Relations Board. We need and respect the work they do to keep the lights on, and we need them on board to support this transition.

**Governance.** Another challenge is governance. We cannot copy public power models elsewhere since LIPA is not a municipal utility, but a *regional* one. There is no one governmental entity responsible for LIPA's governance as its service area covers two counties and one Queens community. We need to create governance that is responsive to and directly accountable to the different communities it serves.

Reimagine LIPA has proposed several governance models. They all rely on local input for appointments to the governing board. We suggest local entities, such as the Nassau and Suffolk legislatures nominate qualified people for the Senate to confirm.

Another option is having each of the 13 Towns (as well as some entity in the Rockaways) nominate a qualified person in its area for the Senate to confirm. A labor representative should also be nominated for the governing board and the Community Stakeholder Chair should be a member. This creates a board with 16 members. If a tie should arise the LIPA CEO could be the tiebreaker.

These people must not only be knowledgeable about the electric system but be able to accept public input. We need people willing to leave the past and how things used to be done and plan for a livable future.

**Formal community input.** To effect this evolution and to provide a vehicle for a true partnership with the public, LIPA needs a strong and effective Community Stakeholder Board (CSB) made up of LIPA customers who live within the LIPA service area. These 25 community leaders must be from diverse sectors and backgrounds with appropriate geographic representation. This CSB must meet regularly and be more involved with directing the LIPA governing board in ways that are beneficial to both LIPA and its users.

It would present the agenda of the ratepayers and their communities to the governing board, help monitor the utility's budget, have input on rates and rate structures, seek out research, and make proposals that reflect the interests of ratepayers, their communities, and the diverse stakeholders of the service territory. It would work with DPS-LI to set the appropriate metrics for utility accountability.

The CSB board will be nominated and then chosen via public hearings in each area: Suffolk, Nassau, and the Rockaways and then appointed by the 11 Senators covering the LIPA service territory.

**Energy Observatory.** LIPA needs quality information to plan for this all-electric future. We propose an Energy Observatory, a local independent institution, to act as the major consultant. It would guide the CSB and governing board evaluation processes on many levels to improve the quality of decisions based on sound research.

The Observatory would provide a vehicle for two-way communication between the utility and public, hold both the governing and community stakeholder boards accountable, and be itself accountable to the public.

Its functions would include continually engaging communities and ratepayers in utility and community related decision-making, supporting communities in their own efforts to obtain renewable, affordable, and reliable energy, assisting relevant community projects, partnerships, and suggestions for the utility's evolution, promoting the local and regional economies and conducting independent research, partnered with universities and community-based organizations, to promote a common body of information to be used to fill needs.

**Flow of information.** The flow of information to the LIPA Board is currently convoluted. PSEG hires outside consultants to write reports and draft the Integrated Resources Plan and Utility 2.0 updates. PSEG reviews and comments on them and perhaps sends them back to the consultant or revises them itself. Then they send them to DPS LI for review and comment. When they are satisfied, DPS LI sends them with their comments to LIPA Board. Often the Board lacks enough time to read through and understand the entire document. Instead, it has to vote to approve these reports and plans based on its CEO's guidance.

The CSB would task the Observatory to draft the reports and create the plans in conjunction with the DPS LI. The documents would then go to the LIPA Board with adequate time to read and understand them and be able to directly question the DPS LI and Observatory staff to assure comprehension before voting to approve them.

**Electrification needs people with vision.** The Observatory could provide plans for the governing board and the CSB to deal with the challenges and benefits of electrification and avoid unintended consequences. Electricity consumption on LI has gone down due to energy efficiency measures, but it will progressively rise as we electrify by replacing fossil fuel heating with heat pumps.

Ratepayers are starting to exchange their gas-burning stoves for efficient, electric induction ones. Customers have been switching for over a decade to heat pumps—both geothermal (GHP) and air source—to heat and cool indoor spaces and water, and dry clothes efficiently. There are already thousands of geothermal heat pump owners on Long Island and a growing number of air source owners as well.

The expertise envisioned in the Observatory could test various adoption scenarios of air source versus geothermal heat pumps to determine future capacity needs as well as look into evolving patterns of usage and its likely effects on LIPA's need for more power.

**Grid can handle load.** There are some who say the grid cannot handle this increasing load. However, LIPA clearly states in this report<sup>2</sup> that this increase is “routinely accommodated in LIPA’s grid planning.” Naysayers are not aware that heat pumps add load in winter when there is plenty and cut it in summer when consumption is high. GHPs level out demand the best.

**Reducing strain on grid and need for more capacity.** Balancing out demand across the year will make LIPA operations more efficient and improve its load factor, which **reduces both strain on the grid and the need for new generation capacity.**<sup>3</sup> It would *avoid some of the cost of building more renewable energy*. LIPA would need less capacity than previously needed for those few peak consumption days of summer. A major adoption of *geothermal* heat pumps would lessen LIPA’s projected capacity needs that were recently estimated by the NY Independent System Operator (NYISO). The Observatory could monitor and plan for this.

The 2014 *Draft Generic Environmental Impact Statement* reported:

Increasing system efficiency such that if the 100 hours of greatest peak demand were flattened, long-term avoided capacity and energy savings would range between \$1 billion and \$2 billion per year. Merely increasing the system load factor from 55% to 56% would produce potential gross benefits of \$220 million to \$330 million per year [statewide].<sup>4</sup>

(The system load factor is the average electrical demand divided by the peak demand.)

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<sup>2</sup> Long Island Power Authority, “Building Decarbonization on Long Island and the Rockaways” fact sheet, March 28, 2022, page 4, <https://www.flipsnack.com/lipower/lipa-building-decarbonization-fact-sheet/full-view.html>, accessed 9/19/2023.

<sup>3</sup> Industrial Economics, Incorporated & Optimal Energy, Incorporated (Prepared for New York State Department of Public Service), *Draft Generic Environmental Impact Statement In Case 14-M-0101 - Reforming the Energy Vision and CASE 14-M-0094 - Clean Energy Fund*, October 24, 2014, Exhibit 1-2 Potential Benefits for the REV Program, page 1-20 (p. 44) <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7b735441E5-8993-40E4-8F92-715ACEF5EE25%7d>, accessed 9/18/2023.

<sup>4</sup> *Ibid.* page ES-10 (p.21). See also 4-2 (p.129).

According to the LIPA Director of External Affairs, the LIPA system load factor is only 45% due to our high summer peak demand, so there is a lot of room for improvement and savings. The Observatory could plan how to raise this efficiency and pass some of the savings on to its customers by reducing rates.

**Additional revenue.** We must keep in mind that additional revenue will flow LIPA's way as it captures ever more heating dollars as heat pumps displace fossil fuels. Both of these trends will provide funding for the necessary interconnection and other upgrades needed to modernize the grid and make it ready to receive more renewably generated electricity.

DPS LI and the Observatory could examine and reevaluate rate structures and report back to the CSB. They could disclose what each charge covers, for the current PSEG LI bill has many hidden charges. People need to know how much they are paying each month on Shoreham and other debt, distributed energy resources, infrastructure maintenance, grid upgrades to accommodate more renewables, and other LIPA costs.

**Electric rates.** Also, current delivery charges are higher for those who heat with electricity because the rates are based on the amount of electricity consumed. The cost of delivering electricity to my neighbors and me is the same, but since I have a heat pump and consume more, I pay disproportionately more. Current rates *subsidize those who heat with fuels!* LIPA must be made aware of such unintended consequences. The Observatory could also devise fairer rate structures.

**Thermal Energy Networks.** The Observatory could also investigate and advise the governing board and CSB on the benefits to LIPA and its ratepayers of acquiring, developing, building, and supplying renewable thermal energy using the utility Thermal Energy Network (TEN) models that are now being developed. They reduce electricity capacity even more.

This district-wide underground loop system is used in conjunction with geothermal heat pumps to provide heating and cooling to buildings. Installed below the frostline, the TEN consists of water-filled pipes that share the heating and cooling resources within the community. It is pooled among a diverse building stock, including homes, commercial buildings, and industry to balance out the heating and cooling needs across the system. A TEN is the ultimate in the efficient use of thermal energy because it simply circulates the heat. Even the water in the pipes stays there; there is no consumption.

TENs move energy by drawing heat from buildings with an excess, such as data centers and grocery stores—that right now consume a lot of electricity to cool computers and food—and direct that heat elsewhere where it is needed, such as homes. In the summer, when the heat is not needed it can be stored in the ground for later use or sent to heat sinks for dispersal.

For customers, joining a TEN cuts the upfront cost of a GHP in half by avoiding the cost of an individual loop system that they would otherwise have to pay to install for themselves. This makes GHPs more appealing, further stimulating the conversion, and exponentially growing LIPA revenues.

TENs would also provide a new and exciting revenue stream if LIPA builds and owns them and charges a small fee to be connected to the network. Like solar and wind energy, TENs have no fuel costs.

### **What to do with burgeoning revenues.**

- **Bury electric lines.** LIPA could also bury electric lines—improving reliability and resilience—while installing these TENs. With no brownouts and rare power outages, people will feel more confident that *heat pumps will keep them warm in winter* and cool in summer.

- **Lower electric rates**
- **Build and own renewable energy generation.** LIPA could also invest in owning renewable electricity generation to avoid buying through the New York Independent Service Operator (NYISO) exchange. Lowering the per watt expense would allow further electric rate reductions.

**Public's lack of knowledge.** On a completely different matter, I have been watching the hearings and am very disturbed by the unbelievable ignorance of many of the speakers. They have forgotten or never knew about the dreadful history of electric service on Long Island and the Rockaways. I have made a point of researching it.

LILCO service was terrible; its only interest was making as much money as possible while running its business into the ground. The LIPA/Nat Grid public-private partnership was better and LIPA-PSEG LI is worse due to poor performance and significant trust issues. High rates and poor service is all that most people know here.

**Businesses' lack of discernment.** I am disheartened by the businesses and chambers of commerce who, apparently, are so used to bad service they can't imagine anything better! PSEG LI consistently ranks last on JD Power customer satisfaction surveys. Yet the business community seems to prefer to stick with the devil they know rather than believing we can *collectively* make it much *better*.

Perhaps their reluctance to look for a better solution is based on the fact that PSEG LI is a member of these chambers and funds them. (LIPA could do the same.) These businesses who accept the current status quo should see how much better utility companies outside Long Island handle the grid. Though it is fashionable for people to disparage their utility, their complaints are lame compared to ours. LI business owners would be shocked at how poorly PSEG LI service compares to others.

When it comes to the largest companies and hospitals—whose input is notably absent—they don't even care about LIPA since they get cheap power from NYPA.

**Need for public outreach on the work of the Commission.** The LIPA Commission needs a public relations plan to counter the ignorance and misinformation that is now showing up in these hearings. This goes full circle back to my first comment, the *public* is poorly represented at these hearings.

LIPA itself needs more public outreach to promote itself and its plans as well as the power of heat pumps to lower heating bills, decrease greenhouse gas emissions, and reduce carbon footprints. These benefits are not promoted widely and often enough to LIPA ratepayers, nor are they incentivized sufficiently.

This is the future of LIPA as I envision it. Our future will be radically different from the present, and LIPA must adapt and plan for it. This is our future, and it is starting now.