



November 29, 2022

Verbal Testimony for the 2022 LIPA Commission Public Hearing - Nassau

The Long Island Progressive Coalition (LIPC) is a grassroots community-based organization founded in 1979. We are a leading member of the Reimagine LIPA campaign, which formed after Tropical Storm Isaias to urge the Long Island Power Authority (LIPA) to end its public-private partnership model in order to create a locally and democratically controlled utility. With over 40 organizational supporters, the campaign includes environmental, grassroots, civil rights, reproductive healthcare, business, women, Indigenous, and faith groups.

The LIPA Commission, established because of the work of this campaign, is our moment to reimagine, reinvent, and restructure LIPA and ensure it is led by those most affected by our energy system. Privatization failed us, PSEG is failing us, and now is the time for the public to lead us in a new direction. PSEG lied about its preparedness for Isaias, its immediate response to it, and the number of upgrades it made afterwards. Currently, PSEG is behind on hundreds of metrics under its new contract, most concerningly on its computer and communication systems. PSEG must go.

Across the country and here in NY, public power is cheaper, more reliable, and better able to transition to renewables. Coupled with democratic reforms, more equitable rate structures, and community oversight of the utility, LIPA can become a model for the nation.

LIPA must reclaim its accountability, control, and responsibility for all aspects of its electric grid and thus act as a self-governing public corporation accountable to the public. Its mission must be modified to include climate justice, energy democracy, equity, and greater participation by its customers. Accountable public power involves the operation, management, and policymaking of electric utilities exclusively by the public and for the public good.

We need to establish an accountable and representative multi-stakeholder Governing Board that includes, in part, the direct election of members from ratepayers residing within equally apportioned districts within LIPA's service area. We call for a mixed board that includes appointments to ensure demographic diversity and expertise. Between elected and appointed members we should ensure 40% of total Board membership includes representatives from disadvantaged communities, aligned with provisions in the Climate Leadership and Community Protection Act. All members would need to have voting power. The Board should have representation from traditional members skilled in management, policy, law, engineering, and technology, but also workers, customers and community-based organizations and persons with expertise in justice, resilience, and engagement.

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Beyond a more inclusive and democratic Governing Board, under a restructured LIPA, there must be clear mechanisms and programs created to ensure community decision-making for energy planning, with proper technical assistance provided.

Across the US, publicly owned utilities employ a range of mechanisms for public engagement, which we can learn from. Some such as the Sacramento Municipal Utility District (SMUD) have citizen review boards that allow ratepayers to be actively involved in giving feedback on specific policy proposals and/or rate increases. SMUD also has a business advisory board with a focus on racial justice. Seattle's public utility has a public advisory council that advises on rates and strategic plans. Austin Energy sponsors a regional science festival to invite diverse youth to learn about the energy sector. And one of the most impressive recent examples of engagement occurred in Los Angeles where the Department of Water and Power, as a part of developing its plan to transition to renewables by 2035, did a two-year-long engagement process that had an advisory group dedicated to environmental justice.

With this in mind, the existing Community Advisory Board at LIPA needs to be completely reimagined so that communities are centered in decision-making over the energy system and that sustained public participation is a function of the utility. LIPA has struggled to engage the public across the many different Towns, Villages, and Cities of Long Island and in the Rockaways, fostering disengagement and distrust while perpetuating inequities and vulnerabilities. We must look at the above models for guidance and take strong heed from a particularly innovative model undertaken with the Paris Water Utility, which works with an independent Paris Water Observatory.

LIPA could work with a fully funded independent Energy Observatory. Every self-directed public utility benefits from an independent partner institution to monitor and advise the utility, engage ratepayers, do independent research, and support communities in their own efforts for resilience and energy justice. The Department of Public Service-Long Island is clearly incapable of doing this, as is the Public Service Commission. We offer an Energy Observatory as a model for oversight, anchored by a non-profit, non-governmental organization, or university.

The word Observatory describes a body that would coordinate the needs of the utility with the needs of the community. It would partner with universities and community-based organizations doing research to promote a common body of information to be used to fill these needs. It would monitor the utility, continually engage communities in utility and community related decision-making, and support relevant community projects, partnerships, and suggestions for the utility's evolution. This would enhance LIPA's ability to make the renewable energy transition happen quickly, justly, and orderly.

More specifically, the Energy Observatory would engage the public to provide input on the utility's performance and services, comment at board meetings and hearings, and review budgets; it would



offer input on LIPA policies, procedures, programs, and actions; and it would enable diverse ratepayers to make proposals to address their needs and desires for more affordable, renewable and resilient programs. The LIPA Board would be obligated to consider and respond to recommendations on clean energy, ratepayer protections, worker issues, climate justice, and other issues.

To enhance accountability, trust and competence, the Observatory would need to be independent from both the utility and the government. Partnered with universities and community-based organizations, it could be financed by a ratepayer fund and both monitor the utility and provide needed services to LIPA. The \$11 million a year that goes to DPS-LI could go to this body instead.

A restructured LIPA must spend more of its revenues for the benefit of communities. Rather than continue the decades-long habit of investing in expensive management fees for private corporations, which diverts funds from public use, LIPA should double down on its commitment to invest in Long Island and the Rockaways. LIPA has stated that “eliminating management fees and affiliate expenses saves approximately \$100 million annually.” This is a savings of nearly \$1 billion over the next decade by opting for operating and maintaining the grid itself.

Instead of providing bonuses to unaccountable management and dividends to distant stockholders LIPA could lower utility rates, especially for low-income households, seniors, and small businesses; reinvest revenues to enhance resiliency; improve identification of and service to customers with special needs; support community solar, thermal energy networks, and more wide ranging conservation programs; and seek out public-public partnerships that improve service delivery and community resilience.

A more equitable rate structure is needed and a restructured LIPA must do more to uphold NYs goal of tackling energy burden by ensuring ratepayers don’t spend more than 6% of their monthly income on their energy bills. It should also explore the recent decision by the Los Angeles Department of Water and Power to end power shutoffs for low-income customers who can’t pay.

It is important to note that although LIPA owns the transmission and distribution network, it does not own most of the power plants on LI but has power purchase agreements with the private companies that own and operate them. However, LIPA has the right and ability to fund, build, own, and operate its own renewable energy systems via bond issuances, which should be explored as a part of the democratic buildout of public renewables.

Some things should stay the same, however, unless stated otherwise by the workers. There should be no change to the jobs, salaries, or benefits for the 2,500 ServCo employees. LIPA made, and kept, the same promise when it transitioned from National Grid to PSEG Long Island management in 2014. This dedicated workforce is integral to LIPA’s success under any management structure.

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In the transition we must maintain IBEW Local 1049 workers under ServCo and not transition workers to a public sector union.

This commission was set up to steer Long Island and the Rockaways back on course to the electric utility we need. We urge this commission to stay strong on this path and incorporate the above suggestions to truly reimagine LIPA. These are the reforms needed to build a truly accountable, democratic, renewable and affordable energy system.

Sincerely,

A handwritten signature in dark blue ink that reads "Ryan Madden".

Ryan Madden
Sustainability Organizer