S.7576-A (Gaughran)/ A.9035 (Thiele)

Summary: This bill establishes a legislative commission and an advisory committee with the intention of restoring the original vision of the Long Island Power Authority (LIPA) as a fully publicly owned power authority. The commission will provide the legislature with a report on specific actions, legislation, and a timeline for restructuring LIPA to accomplish this goal.

Statement of Support: The Long Island Power Authority (LIPA) is a municipally owned utility, and a subdivision of New York State. It owns, for the sole benefit of its customers, the electrical transmission and distribution system on Long Island: the poles, the wires, the substations, and the structures. Yet unlike every other large municipal utility in the United States, it does not operate these facilities or plan for its future needs. Those vital tasks are, by law, subcontracted to an outside, for-profit company.

As outlined by LIPA in April 2021 (Phase II Report: “Options Analysis for the Management of LIPA Assets”) and in the 2021 Reimagine LIPA statement, the constraints of this public-private model costs ratepayers upwards of $60 million each year. LIPA could save hundreds of millions of dollars over the next decade if it is allowed to take back its own utility through full municipalization. A publicly run LIPA could lower rates, improve service to customers, see better investment in resilient, renewable energy infrastructure and improve its crisis management system. The Sierra Club Atlantic Chapter supports S.7576-A/ A.9035 which will authorize a legislative commission to explore how an autonomous, municipally controlled LIPA could reduce costs, improve service and build the needed infrastructure that will allow Long Islanders to comply with the mandates of New York's climate laws.

The U.S. already has over 2,000 public utility districts, municipal utilities, or rural-electric co-ops, and on average, they are 13% more affordable and twice as reliable as investor-owned utilities. According to a J. D. Power Electric Utility Survey, co-op and municipal systems consistently rank in the top 25% in customer satisfaction while LIPA's subcontractors have consistently ranked in the bottom 25%. This decades-long convoluted structure must be reevaluated if we are to hope for better service as we decarbonize Long Island's electrical grid.

S.7576-A/ A.9035 will establish a process to analyze and resolve the long-standing performance and reliability issues related to the public-private management model that has never delivered satisfactory results to ratepayers. This professional study will lay the groundwork for the municipalization of Long Island's power grid and may just provide the blueprint for a cleaner, brighter future for Long Island's three million residents.

The Sierra Club Atlantic Chapter strongly urges your support of S7576A/A9035.