

**IMMEDIATE RELEASE:** Thursday, May 30, 2024

## **LIPA ISSUES SOLICITATION FOR ELECTRIC UTILITY OPERATIONS AND MANAGEMENT SERVICES**

*The Request for Proposals seeks operational and management services for LIPA's transmission and distribution system on Long Island and the Rockaways, serving 1.2 million customers, effective January 1, 2026.*

UNIONDALE, NY – The Long Island Power Authority (LIPA) has issued a Request for Proposals (RFP) seeking services for its electrical transmission and distribution system, including, among other functions, day-to-day operations and maintenance, emergency preparedness and response, customer service, billing and collection, and meter reading.

**John Rhodes, Acting Chief Executive Officer**, said, “Our Request for Proposals is a crucial step in ensuring that we continue to provide clean, reliable, and efficient service while ensuring the best value for our customers. By working together with our Service Provider, we aim to deliver superior service and sustainable energy solutions for Long Island and the Rockaways.”

**Tracey Edwards, Chair of the LIPA Board of Trustees**, said, “The release of this Request for Proposals represents a tremendous opportunity to build on the progress we have made for LIPA customers over the past ten years while ensuring the best value for the operations services we seek. By fostering competition, we are confident that we will secure the best possible outcome for our customers on Long Island and the Rockaways, allowing LIPA to continue to provide reliable, safe, and clean electric service.”

LIPA's service territory includes Nassau and Suffolk Counties on Long Island and the Rockaway Peninsula in Queens County, serving over 1 million residential customers and approximately 134,000 commercial customers.<sup>1</sup> As the owner of the electrical transmission and distribution system serving the local community, LIPA has historically contracted for most of the operations and management services and power supply and fuel management services used to operate the electric grid.

Since 2014, LIPA has contracted with PSEG Long Island, a subsidiary of Public Service Enterprise Group Incorporated (PSEG), a publicly traded diversified energy company, for management services. This contract expires on December 31, 2025.

The new management contract would provide for a 10-year agreement, with a 5-year option to extend upon mutual agreement of the parties, and provides additional customer protections relating to cost recovery for certain storm events, among other things. In addition, the contract would include a fixed portion of the management fee, an incentive-based portion of the management fee, which is tied to the achievement of metrics, and an at-risk portion of the

---

<sup>1</sup> LIPA's Service Territory does not include the Villages of Rockville Centre, Freeport, and Greenport.

management fee, subject to withholding if the Department of Public Service determines a major violation has occurred.

To procure a Service Provider by year-end 2024, LIPA plans a three-phase evaluation process, including the evaluation and satisfaction of specific threshold criteria to qualify a bidder, the evaluation of detailed proposals, and finally, further down-select and negotiating with a small number of the highest-evaluated proposals competitively.

Key Dates:

- Issuance of the Request for Proposals: May 29, 2024
- Proposals and Responses Deadline: September 6, 2024
- Evaluation Period: September 9, 2024 – October 10, 2024
- Contract Negotiations: October 2024 – March 2025

If a bidder other than PSEG Long Island is selected, LIPA's goal is to provide a one-year transition period to complete the handoff from PSEG Long Island to the next service provider by December 31, 2025.

For more information and to view the RFP, visit [lipower.org](http://lipower.org).

####

### **ABOUT LIPA**

LIPA is a not-for-profit public utility that aims to serve our customers and community by providing clean, reliable, and affordable energy to Long Island and the Rockaways. LIPA contracts with PSEG Long Island to manage its electric system to performance standards specified by its Board of Trustees under a four-year contract.