

FOR IMMEDIATE RELEASE: Friday, November 15, 2024

LIPA Announces its Proposed 2025 Budget Prioritizing Affordability and Encouraging Public Participation

The proposed budget funds essential utility and clean energy investments while keeping customer bill impacts low

The LIPA Board of Trustees will vote on the annual budget at its next meeting on December 18

UNIONDALE, NY – The Long Island Power Authority (LIPA) has released its proposed 2025 Budget and is announcing three opportunities for the public to participate in the planning process. The proposal includes an operating budget of \$4.4 billion to fund delivery and power supply costs, energy efficiency and distributed energy programs, taxes, and debt service, and a capital budget of \$928 million for storm hardening and long-life infrastructure investments, such as transmission lines, substations, poles, and wires, as well as information technology, vehicle fleet, and other assets.

Tracey Edwards, Chairwoman of the LIPA Board of Trustees, said, “Every year, we must plan, prioritize, and budget to ensure we properly serve Long Island and the Rockaways. LIPA’s annual budget process is a necessary time to talk about how our plans and priorities translate into action on behalf of our customers.”

John Rhodes, Acting Chief Executive Officer of LIPA, said, “LIPA’s annual budget starts with our priorities, which flow from the strategic initiatives and policy goals set by our Board of Trustees and from our duty as a public authority to deliver the highest value to our customers. Our proposed 2025 budget keeps costs low while continuing to invest in the electric grid and clean energy, among other important customer priorities.”

As the owner of the electric system on Long Island and the Rockaways, LIPA has the ultimate authority and control over the transmission and distribution system assets and specific responsibilities, including determining all rates and charges and reviewing and approving LIPA’s budget, among other critical utility initiatives.

2025 Projected Customer Bills

In 2025, the typical residential customer bill is projected to be \$7.27 (3.9%) higher than budgeted in 2024. Approximately \$1.89 (1.1%) is due to an estimated increase in average electricity use per typical residential customer. LIPA projects that a typical residential customer will use 723 kilowatt-hours (kWh) of electricity per month in 2025 compared to 715 kWh in 2024 due to improved economic assumptions and beneficial electrification, including the adoption of electric vehicles and heat pumps. Assuming no increased usage by a typical residential customer, the projected bill is estimated to increase by \$5.38 (2.80%).

Higher debt service requirements and related coverage are driving a significant portion of the projected increase, and these funds are used to support capital investments. LIPA is also projecting higher power supply costs in the 2025 budget, which is contributing \$1.97 to the monthly bill impact as LIPA needs to purchase electricity, natural gas, and fuel oil to meet customer needs.

LIPA budgets for power supply costs at prevailing market prices, which are reconciled to actual costs through a Power Supply Charge that changes each month and appears as a separate line item on customer bills. This ensures our customers only pay for the actual power supply costs.

“While we are seeing a nominal increase in 2025 proposed electric bills, LIPA continues to maintain competitive electric rates within its region for its typical residential customers,” John Rhodes continued. “This budget provides a transparent look at our business operations and our efforts to continuously enhance our utility and the critical service we provide.”

To view the digital version of the proposed budget, [click here](#).

Electric Tariff Proposals

Additionally, LIPA is proposing several electric tariff changes, which will be considered at the upcoming December Board of Trustees meeting.

- **Rate Adjustments:** Implementing rate adjustments as determined through LIPA’s annual budget process. To view the entire proposal, [click here](#).
- **COVID-19 Temporary Emergency Modifications:** Discontinuing temporary emergency measures put in place during the COVID-19 pandemic that allowed for eased repayment terms. To view the entire proposal, [click here](#).
- **New York State Home Energy Fair Practices Act:** Providing consistency with statutory amendments to the New York State Home Energy Fair Practices Act and clarifying definitions of residential and non-residential customers. To view the entire proposal, [click here](#).
- **Small Generator Interconnection Procedures:** Aligning LIPA’s interconnection procedure with the Standardized Interconnection Requirements and modifying the definition of site control related to property where distributed generators are to be installed. To view the entire proposal, [click here](#).
- **Customer Benefit Contribution:** Clarifying the application of the Customer Benefit Contribution charge to distributed generation systems. To view the entire proposal, [click here](#).
- **Integrated Energy Data Resource (IEDR) Data Sharing:** Addressing concerns relating to liability for any improper access or sharing of customer data after the transfer of such data to the IEDR platform. To view the entire proposal, [click here](#).

Public Participation

Written comments on the proposed 2025 budget and electric tariff proposals can be emailed to tariffchanges@lipower.org by November 29, 2024, and comments will be provided to the Board

of Trustees for their consideration. Additionally, the public is encouraged to participate and speak at the following public comment sessions:

Session 1 – Suffolk County: Monday, November 25 at 10 a.m. at the H. Lee Dennison Building (100 Veterans Memorial Highway, Hauppauge, New York 11788).

Session 2 – Nassau County: Monday, November 25 at 6 p.m. at the OMNI Building (333 Earle Ovington Blvd., Suite 403, Uniondale, New York 11553). [Sign up here for virtual participation.](#)

Session 3 – The Rockaways: Tuesday, November 26 at 6 p.m. at the Rockaway YMCA (207 Beach 73rd Street, Queens, New York 11692).

The next Board of Trustees meeting will be held on Wednesday, December 18. During this meeting, the Board will consider the 2025 proposed budget and electric tariff changes.

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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. For more information, visit lipower.org and follow us on [LinkedIn](#).