

# WELCOME

LIPA Community Advisory Board Members

---

December 10, 2024



# Agenda

## **I. Opening Remarks**

Tracey Edwards, LIPA Board Chair

John Rhodes, LIPA Acting CEO

## **II. 2025 LIPA Budget Presentation**

Donna Mongiardo, LIPA Chief Financial Officer

## **III. Policy Changes & Strategic Initiatives**

John Rhodes, LIPA Acting CEO

## **V. PSEG Long Island Operations Update**

Lou DeBrino, PSEG Long Island Vice President of Customer Operations

Chris Hahn, PSEG Long Island Vice President of External Affairs

## **VI. Roundtable Discussion**

## **VII. Proposed 2025 CAB Meeting Dates (Tuesdays, 12 p.m.)**

March 18

June 17

September 16

December 9

# Opening Remarks



**John Rhodes**  
LIPA, Acting CEO



**Tracey Edwards**  
LIPA, Board Chair



# LIPA's 2025 Proposed Budget

**Presented by:** Donna Mongiardo, Chief Financial Officer

December 10, 2024



# Discussion Topics

---

 Proposed 2025 Budget

 Public Comments

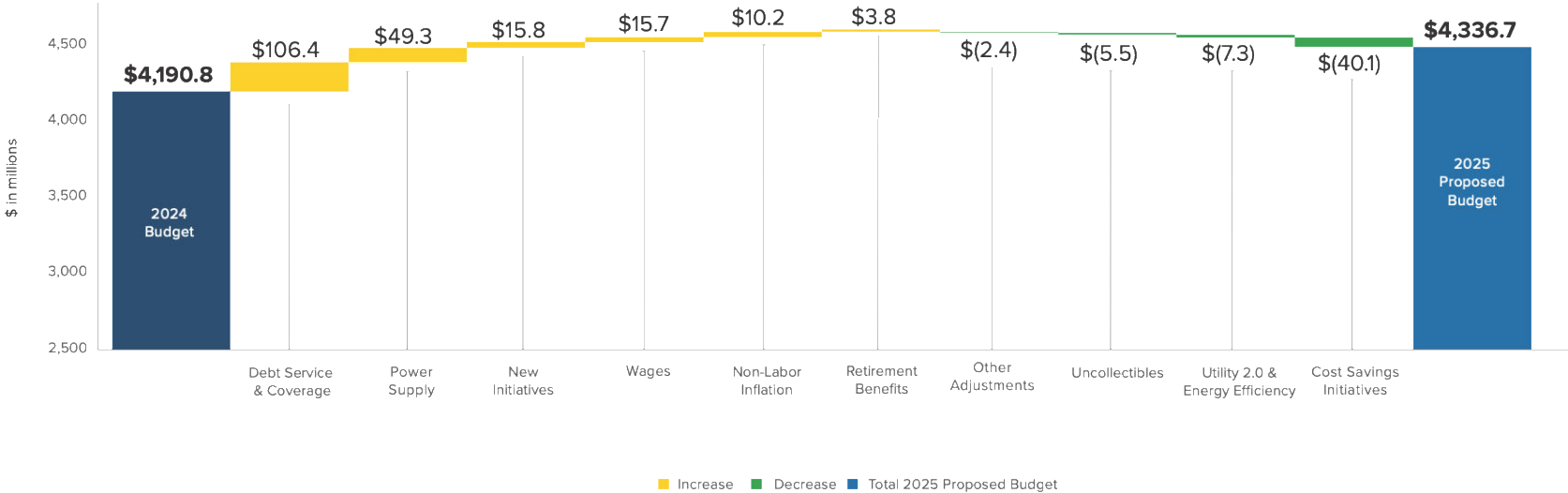


# Proposed 2025 Budget

# Proposed 2025 Operating Budget

- Despite increases in labor costs and overall inflation, productivity and other cost savings initiatives provided offsets to remain relatively flat while ensuring sufficient funding to maintain and operate the system in a manner that meets LIPA’s Board of Trustee policy objectives.
- However, due to increased debt service requirements and power supply costs, total operating revenue will increase to \$4.3 billion, an increase of \$146 million (3.5%) compared to 2024.

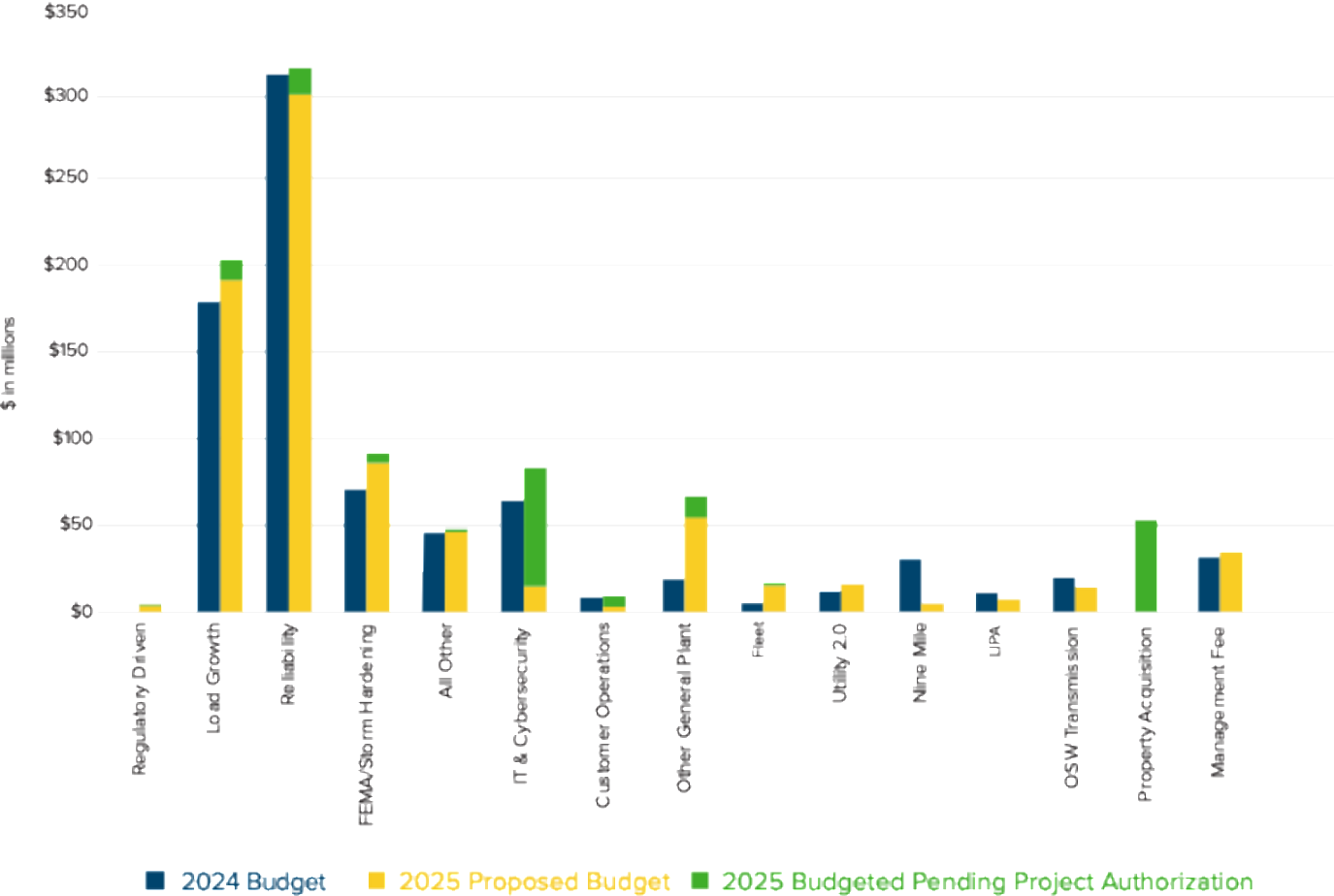
Proposed 2025 Operating Budget as Compared to 2024



# Proposed 2025 Capital Budget

- The proposed 2025 Capital Budget is \$1.0 billion, an increase of \$153 million as compared to the 2024 Budget of \$853 million.
- The 2025 Capital Budget will continue significant investments in the electric grid including the addition of transmission projects for offshore wind and development of a new operations yard.

Changes in the 2025 Capital Budget as Compared to 2024

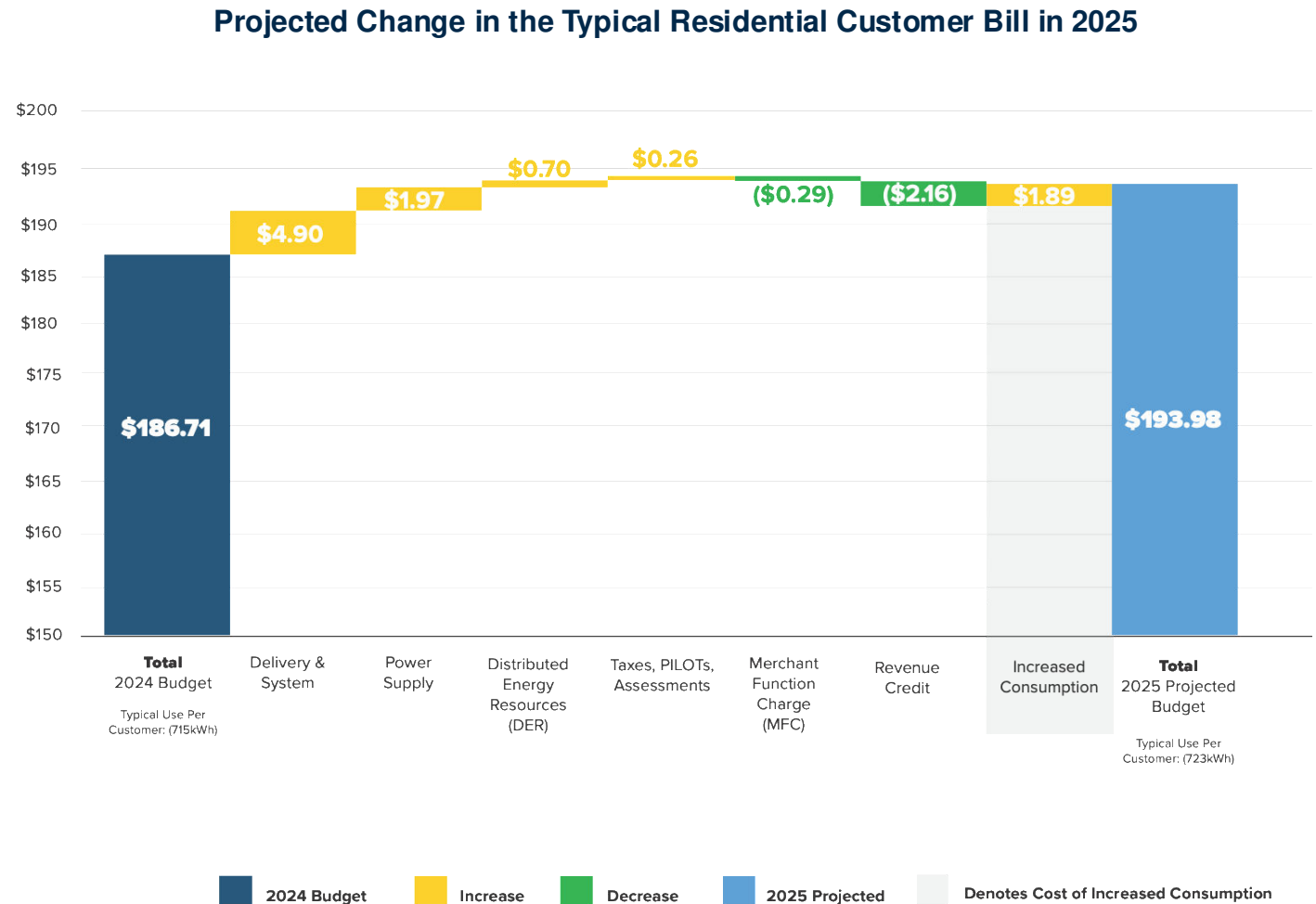




# Projected Change in Typical Residential Customer Bill in 2025

Typical residential bills are projected at **\$7.27 (3.9%)** higher in 2025 than budgeted in 2024 due to:

- Higher debt service requirements and related coverage are projected to increase by \$106 million (~\$4.40).
- Higher power supply costs of \$49 million (~\$1.97) compared to the 2024 Approved Budget.
- An estimated increase in average electricity use per residential customer (~\$1.89 or 1.1%).



# Power Supply Costs

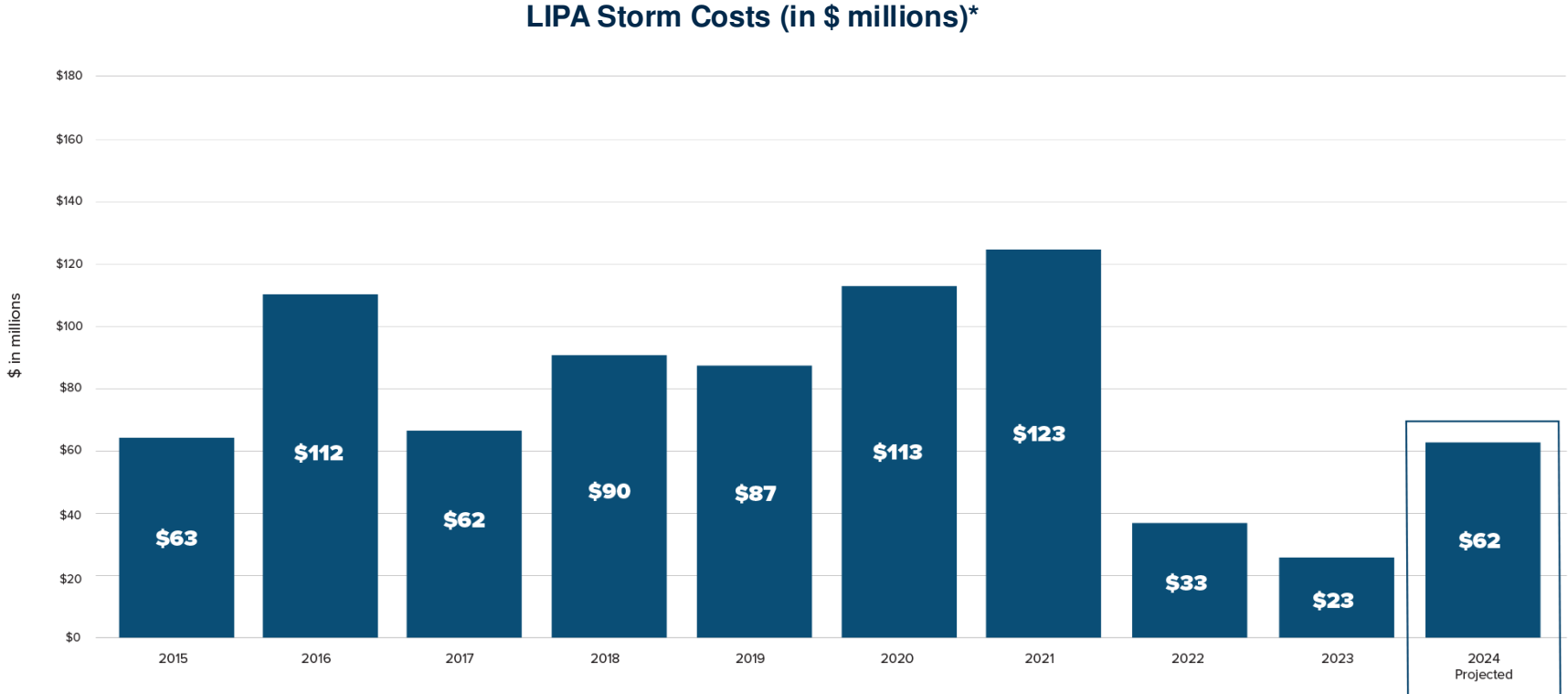
**2025:** LIPA is projecting higher power supply costs next year, contributing \$1.97 to the monthly bill impact. Factors contributing to the \$49 million increase in power supply costs include:

- \$86 million increase to secure Regional Greenhouse Gas Initiative allowances driven by a significant increase in market prices.
- \$17 million increase in purchases of zero-emission credits.
- \$9 million increase related to renewable energy.

*These increases are partially offset by a \$24 million decrease in pass-through property taxes on power plants due to continuing benefits of tax settlements and a \$33 million reduction in purchased power and commodity cost including an estimated savings of approximately \$4 million for LIPA's first prepaid energy transaction.*

# Planning for Extreme Weather Events

- LIPA's storm budget funds the preparation, response, and repairs necessary to restore electric service after major storms.
- The proposed 2025 Storm Budget of \$84 million remains unchanged from 2024.



# Utilizing Status as a Public Power Utility

- LIPA’s status as a public power utility makes it eligible for storm recovery federal grants not available to for-profit utilities. LIPA has received multiple grants to help offset the costs of storm recovery and climate resiliency for its customers totaling \$2.4 billion.
- In 2024, LIPA was awarded a \$425 million mitigation grant related to Tropical Storm Isaias to continue its storm-hardening program, and FEMA provided a \$10 million mitigation grant to replace utility poles in disadvantaged communities.

Summary of FEMA Grants for Storm Recovery Costs and Hardening Programs \$ in millions

	LIPA Storm Costs	Federal Grants Awarded or Pending
Tropical Storm Irene (2011)	\$170	\$170
Superstorm Sandy (2012)	\$656	\$700
Sandy Mitigation – 428	--	\$730
Winter Storm Nemo	\$17	\$11
Winter Storm Stella (2017)	\$14	\$4
Tropical Storm Isaias (2020)	\$309	\$277
Isaias Mitigation – 406	--	\$425
Isaias Mitigation – 406	--	\$38*
COVID-19 Pandemic	\$26	\$6
COVID-19 Mitigation (2020 -2022) – 404	--	\$10*
Tropical Storm Ida (2021)	\$9	\$7
Winter Storm Elliott (2022)	\$4	\$2*
<b>Total</b>	<b>\$1,205</b>	<b>\$2,380</b>

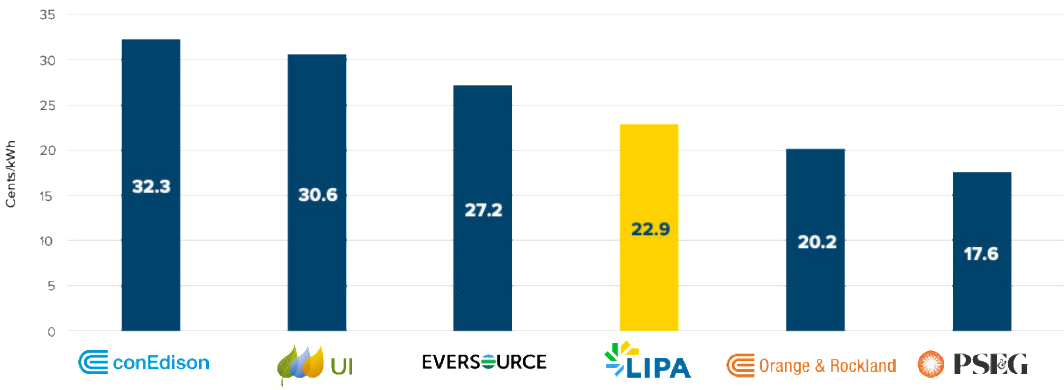
\*Applied for—LIPA waiting for FEMA decision



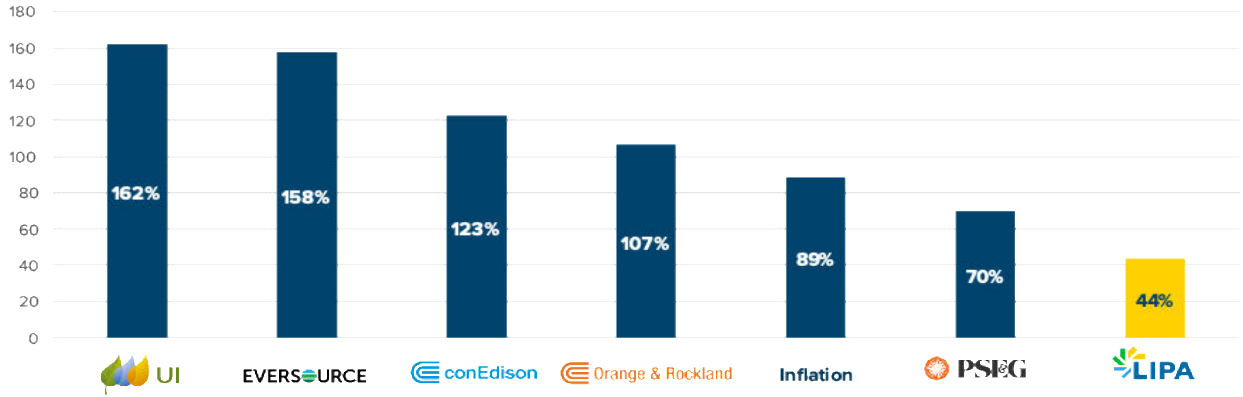
# Regionally Comparable Rates

- LIPA's system's average electric rate is 22.9 cents in 2024 – 29% below the highest-priced regional utility.
- The system's average electric rates of the regional utilities range from 17.6 to 32.3 cents per kWh.
- LIPA's system average rates have been competitive on a long-term basis, having risen slower than most other regional utilities.
- Since taking over the electric system, LIPA's rates increased 44%, compared to a range of 70% to 162% for the other utilities.

2024 System Average Rates\*



Long-Term Increase in System Average Rates (1997-2024)\*



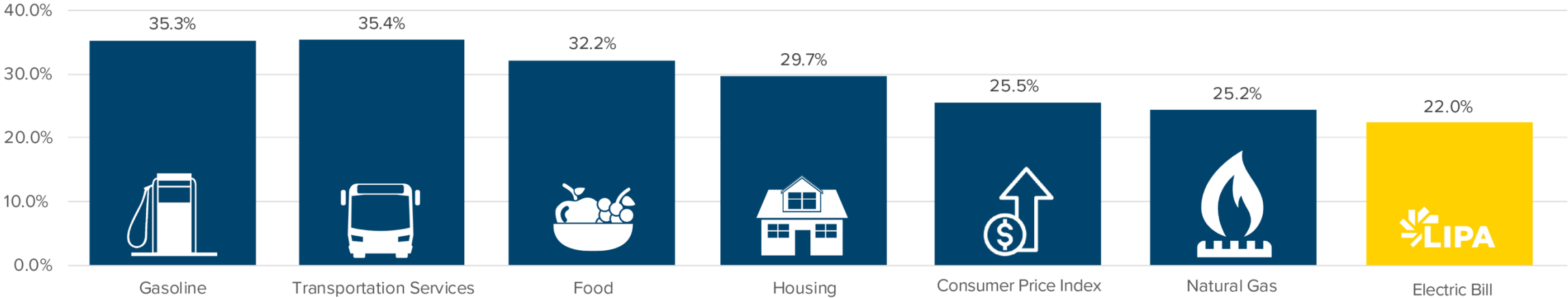
\*Regional utility rates include the latest available information as of mid-2024.



# Electricity Prices Remain **Below Inflation**

- As the price of goods and services throughout the country has gone up, so have utility bills.
- Despite these challenges, LIPA remains committed to providing electricity at the lowest possible cost for customers.

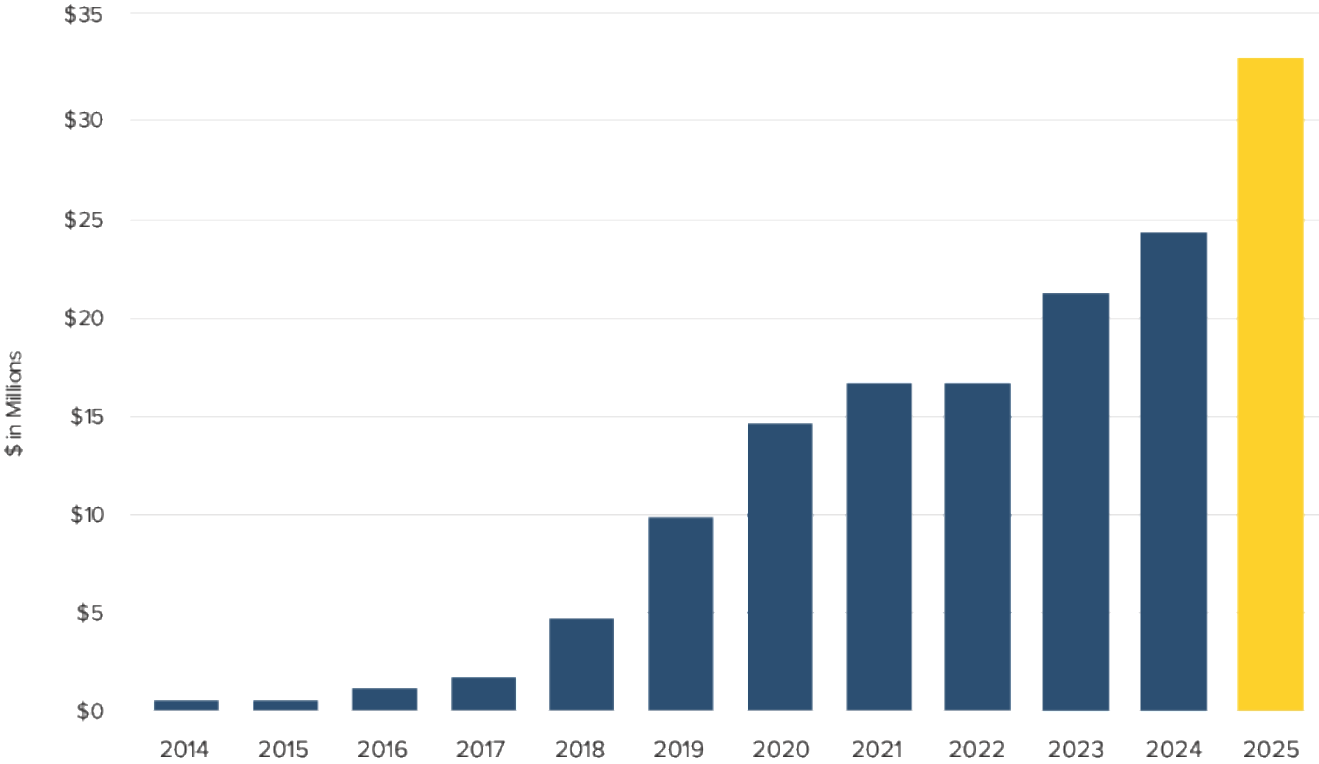
**Rising Costs of Goods and Services Since 2018**



# Helping Low- to Moderate-Income Customers

- LIPA offers electricity bill discounts to low- and moderate-income customers with the goal that energy bills should be no greater than 6% of household income.
- In January 2024, LIPA’s low-income customers received an additional \$4 million of funding (9%) through a 3.8% increase in the annual discount, which will continue in 2025.
- LIPA also offers enhanced heat pump incentives of up to \$11,000 for low-income households. These enhanced rebates are complemented by new federal tax incentives of up to \$8,000 for low-income households installing heat pumps.

Funding for Low-Income Customer Discounts



# 2025 Proposed Budget Maintains Fiscal Sustainability

- Since 2013, LIPA has received five credit rating upgrades, with the latest in July 2024 from FitchRatings.
- During 2024, FitchRatings **upgraded** LIPA to an A+ rating with a stable outlook, noting LIPA's improved leverage ratio, stating it has decreased over the past five years and is expected to further decline in future years – ***an improvement that is supported by strategic budgeting and higher fixed-obligation coverage.***

## LIPA Continues to Receive Credit Rating Upgrades

	2013 Ratings (Outlook)	2024 Ratings (Outlook)
<b>S&amp;P Global</b>	<b>A-</b> (Negative)	<b>A</b> (Stable)
<b>FitchRatings</b>	<b>A-</b> (Negative)	<b>A+</b> (Stable)
<b>MOODY'S</b>	<b>Baa1</b> (Negative)	<b>A2</b> (Stable)



# 2025 Proposed Budget

The 2025 proposed budget can be viewed at <https://www.flipsnack.com/lipower/2025-budget-report/full-view.html>



## 2025 Annual Budget Report



# Public Comments

# Public Comments and Participation

## How can the public participate in LIPA's budget and planning processes?

- LIPA held three public comment sessions regarding the 2024 Budget and Performance Metrics on Monday, November 25, and Tuesday, November 26.
- One session was during the morning in Suffolk County, one was held in Nassau County, which was also an evening virtual session, and the other session was held in the Rockaways.
- Only two members of the public spoke. The public could also submit written comments. Four were received.
- Information about the three public comment sessions was made available on LIPA's website and distributed to interested stakeholders via LinkedIn and an email list maintained by LIPA.
- The proposed budget was covered by Newsday, News 12, Fox 5, WSHU, and the American Public Power Association.

The LIPA Board of Trustees will consider these items at its next meeting on **Wednesday, December 18.**

# Questions?

**Donna Mongiardo**  
Chief Financial Officer

---

*[lipower.org](http://lipower.org)*





# Policy Changes & Strategic Initiatives



**Presented by:** John Rhodes, Acting CEO

December 10, 2024



# Discussion Topics

---

-  Update to LIPA's Undergrounding Policy
-  Renaming of the East Garden City Substation

# Policy Changes & Strategic Initiatives: Undergrounding

- The Board of Trustees recently approved a policy change to facilitate underground transmission and distribution lines across LIPA territories.
- Under this initiative, LIPA policy will require all new transmission lines over 65 kilovolts (kV) to be constructed underground, with overhead construction only considered when proper justification is provided.
- LIPA is also evaluating additional undergrounding on mainline distribution, particularly in areas with rear property lines and heavy tree conditions. Forty miles of underground bypass work has already been completed, with an additional nine miles planned over the next three years.

# Undergrounding Working Group & Board Policy

- LIPA has directed staff to convene an underground working group of key internal and external stakeholders to ensure awareness of existing programs and maximize cost-savings by better coordinating planned work. Communities seeking to go underground will have more opportunities to engage with their utility to advance undergrounding.
- Additionally, the LIPA Board has requested that new policy guidelines be considered to help inform future distribution-level undergrounding work based on reliability. Staff will explore undergrounding programs from other utilities to determine if there are cost-effective best practices that can be incorporated into LIPA's service territory to drive customer reliability.





# Policy Changes & Strategic Initiatives: Renaming East Garden City Substation

- The Long Island Power Authority (LIPA) recently announced that it will rename its East Garden City Substation to the “Stewart Avenue - Uniondale Hub” Substation
- The renaming marks a historic step for community advocates to correct long-standing social justice issues for the Hamlet of Uniondale.
- The Greater Uniondale Area Action Coalition and its leadership requested the change, which has been working to rectify a long-standing point of contention in their community with previous mappings that display incorrect Uniondale borders.
- We are grateful to the Greater Uniondale Area Action Coalition, especially Jeannine Maynard, and all those in the community who have voiced their concerns.
- This change helps eliminate any confusion caused by the previous name, ensuring that the Uniondale fire district is properly recognized and not marginalized.



## 'East Garden City'? No thanks!

Posted October 4, 2024



LIPA has renamed its Stewart Avenue substation the Stewart Avenue-Uniondale Hub, after years of Uniondale activists protesting the geographic designation East Garden City, as they did at this gathering in May 2022.

By Kelsie Radziski

The residents of northern Uniondale have been fighting long and hard to get rid of the geographic designation "East Garden City," and they recently notched a win.

The Long Island Power Authority announced that it would rename its East Garden City substation the Stewart Avenue-Uniondale Hub Substation. The official process will take a few months to complete, according to LIPA, but the new name will eventually be displayed on a new sign at the facility.

"This decision reflects LIPA's commitment to listen to our communities," Tracey Edwards, LIPA's board chair, stated in a news release, "including those serving on LIPA's Community Advisory Board and working with them to address their needs. Renaming the substation to 'Stewart Avenue-Uniondale Hub' honors the identity of Uniondale and helps rectify the issues associated with the previous name. We are proud to be part of this positive change."

The substation is one of 27 LIPA facilities across Long Island that generate power, with the electrical infrastructure "playing an important role in meeting New York State's clean energy goals," the release added.

The Greater Uniondale Area Action Coalition requested the substation name change as part of its long-running effort to eliminate the term East Garden City.

[Long Island Herald Article](#)

# Questions?

**John Rhodes**  
*Acting CEO*

---

[lipower.org](http://lipower.org)





# PSEG Long Island Update

*Community Advisory Board Meeting*

December 10, 2024

# Agenda

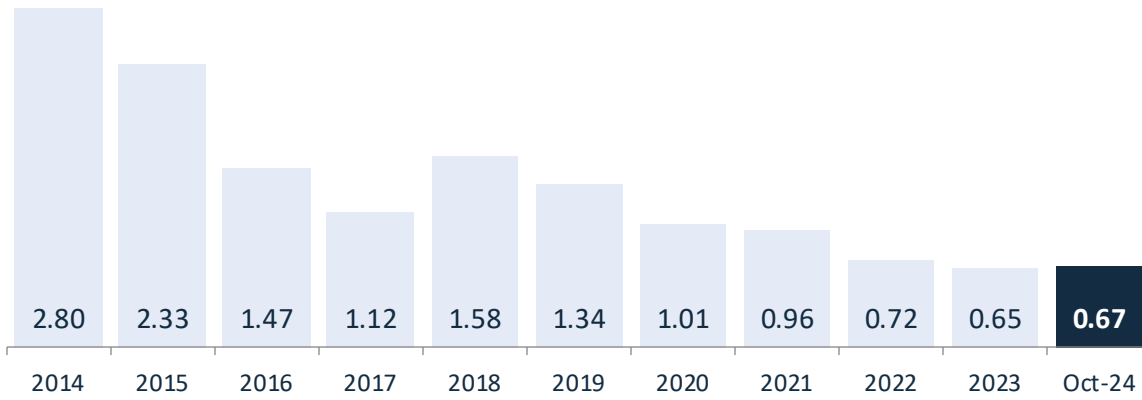
➤ Operating Performance

➤ Time of Day Update

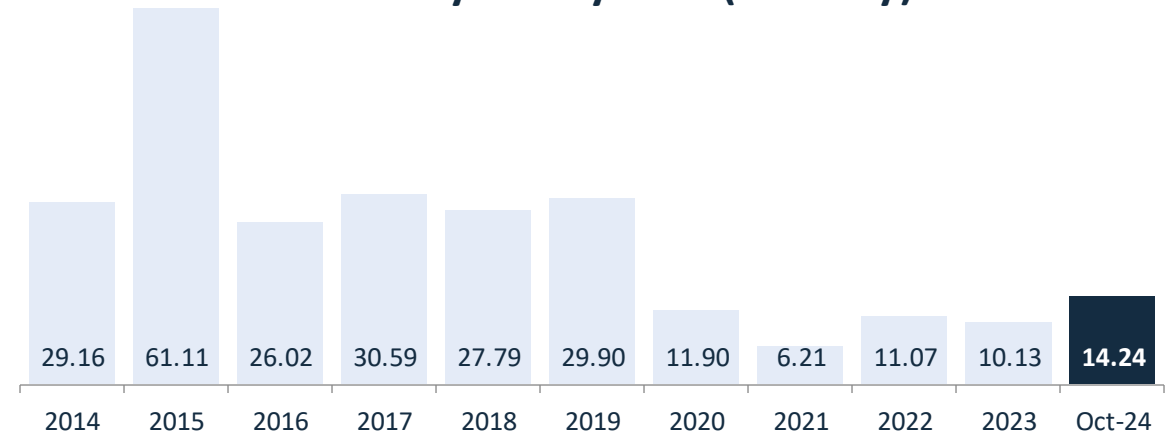
# Operating Performance

## Safety Performance

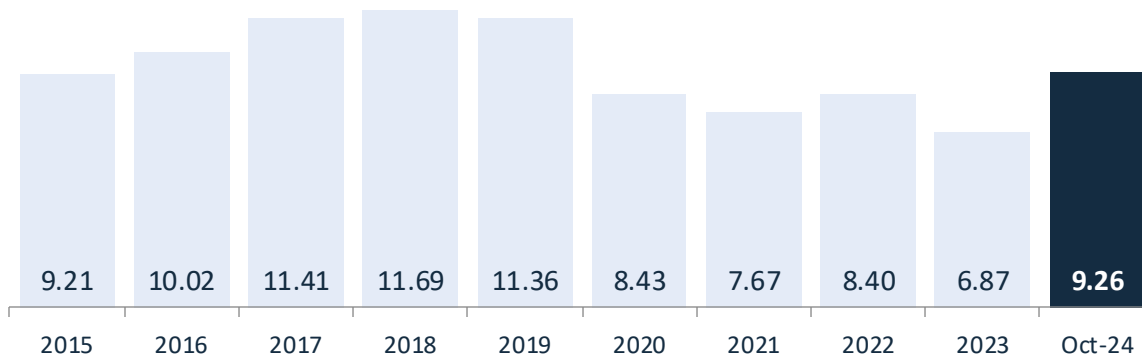
### OSHA Recordable Incident Rate



### OSHA Days Away Rate (Severity)



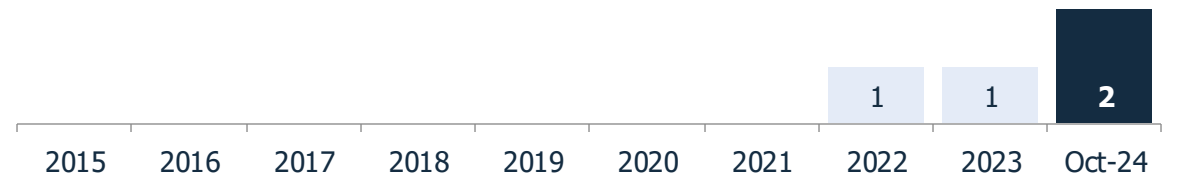
### Motor Vehicle Accident Rate



### Serious Injury Incident Rate



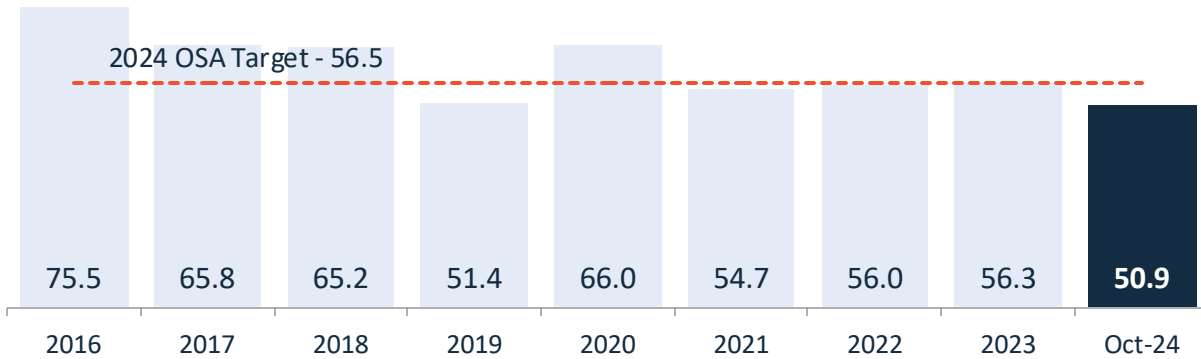
### Serious Injuries - # of Incidents



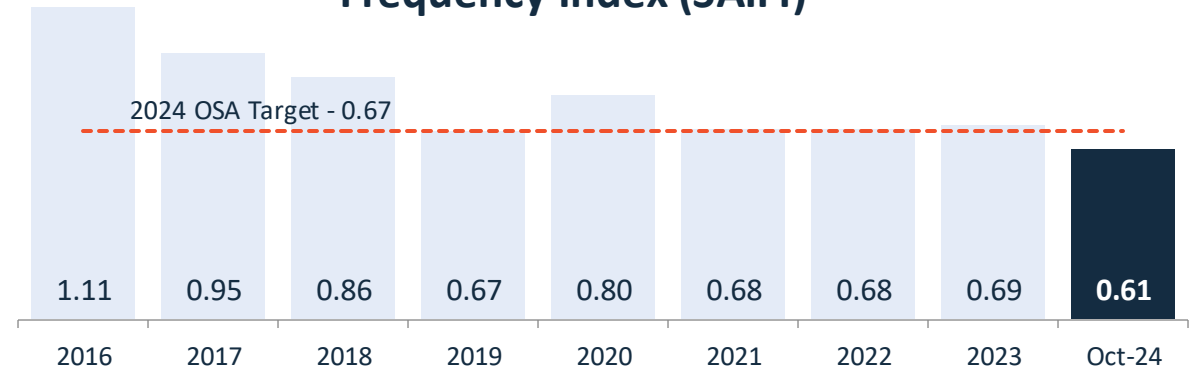
# Operating Performance

## *Electric Reliability*

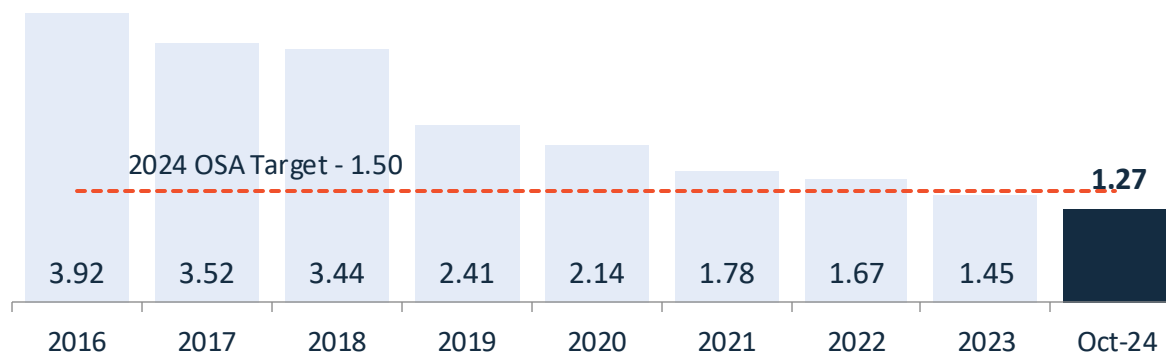
### System Average Interruption Duration Index (SAIDI)



### System Average Interruption Frequency Index (SAIFI)

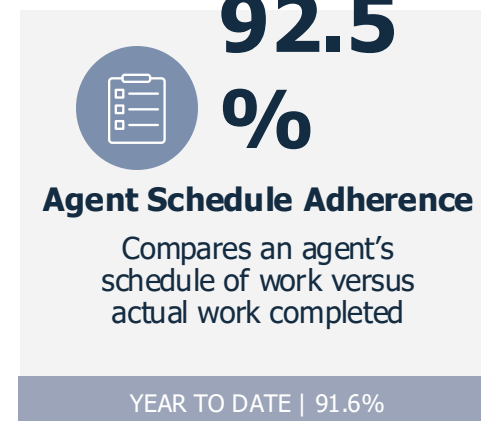
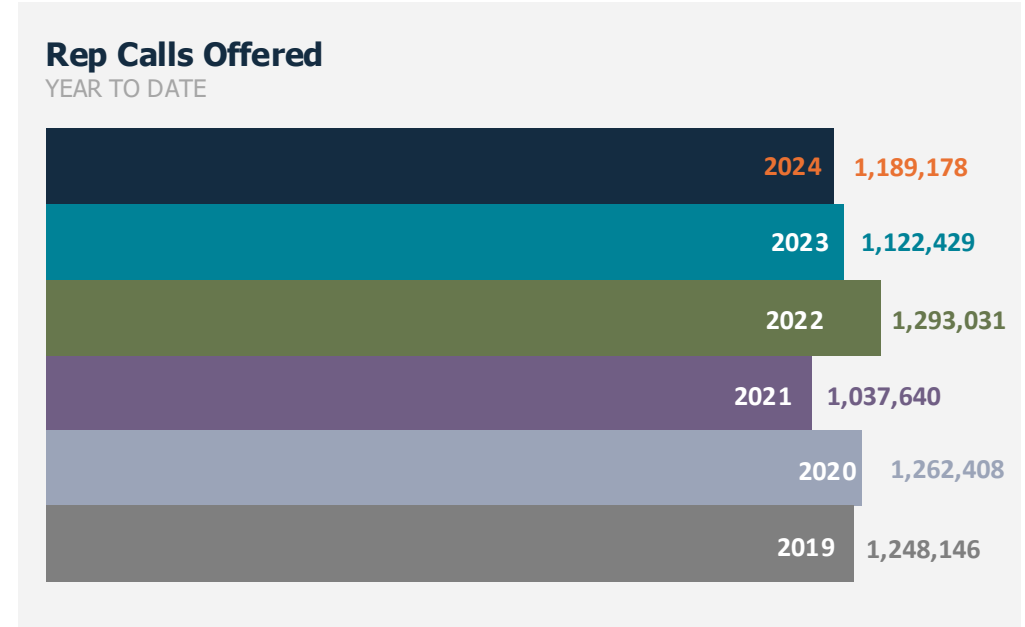
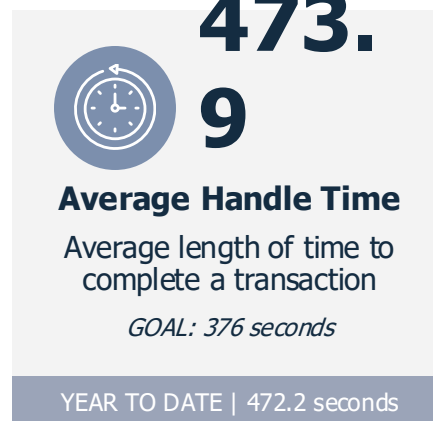
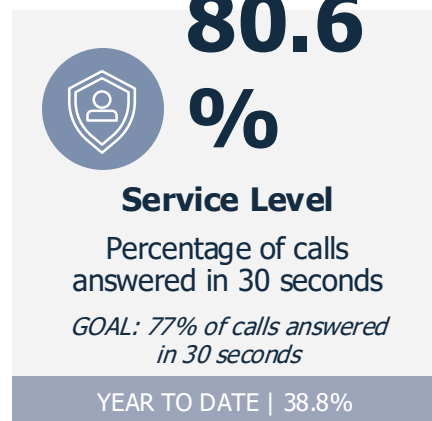
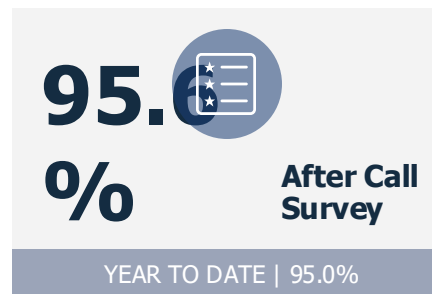
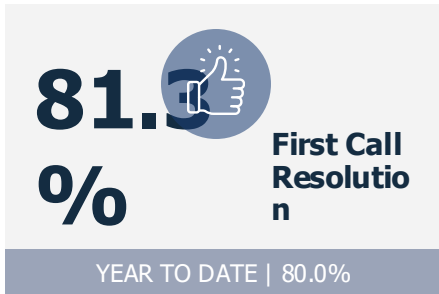


### Momentary Average Interruption Frequency Index (MAIFI)



# Operating Performance

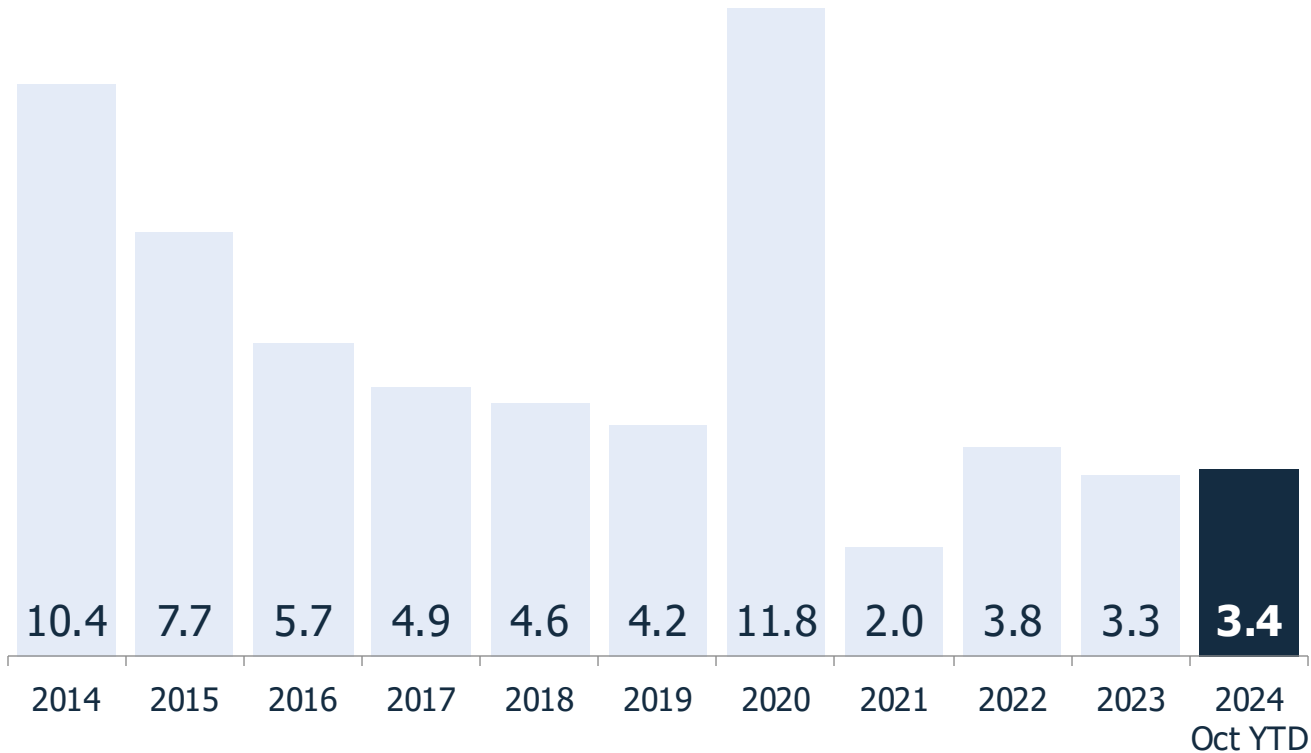
## Call Center Update



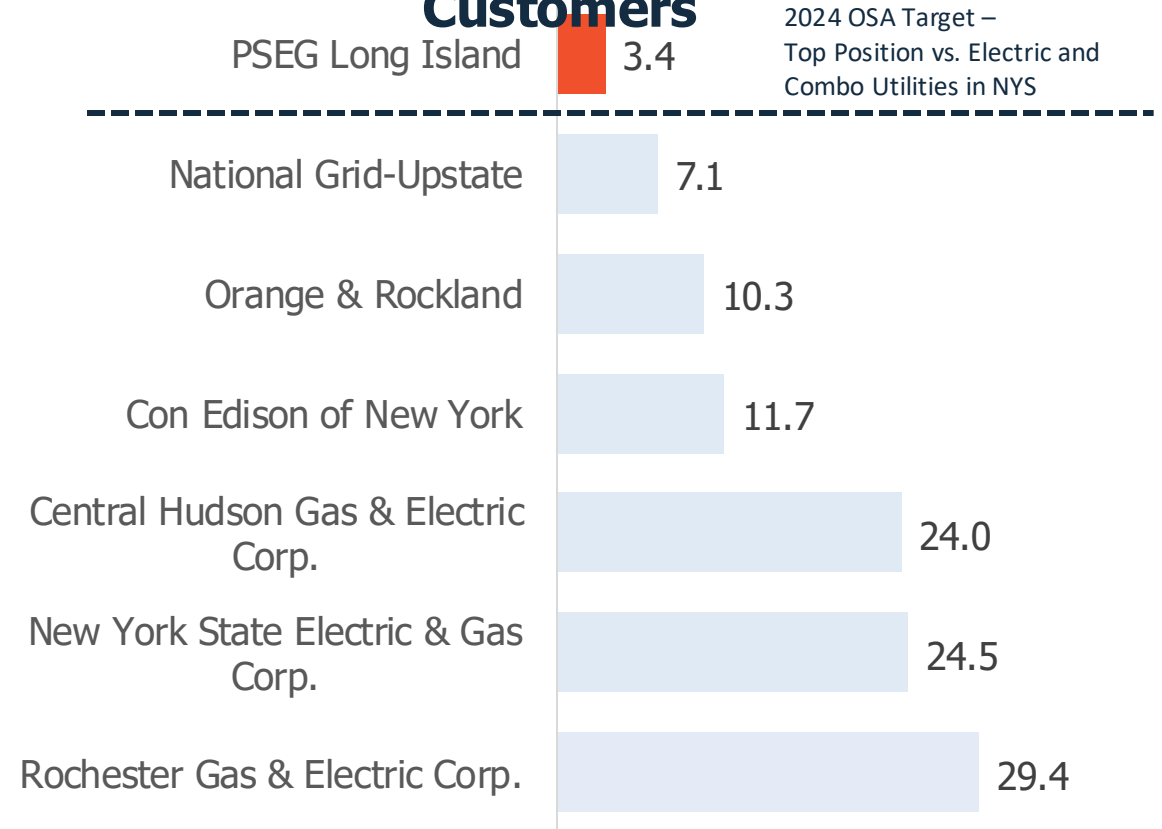
# Operating Performance

## Customer Complaints

### Customer Complaint Rate



### Rolling 12 Month DPS Complaint Rate per 100,000 Customers



2024 OSA Target –  
Top Position vs. Electric and  
Combo Utilities in NYS





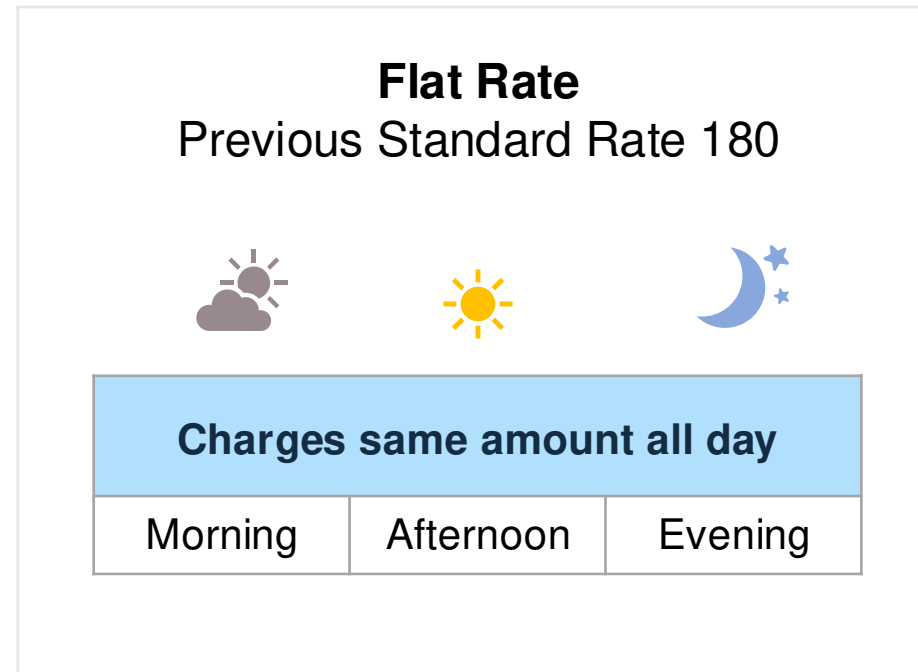
# Time-of-Day Update



# Standard Rate, Residential

## *Historically a Flat Rate*

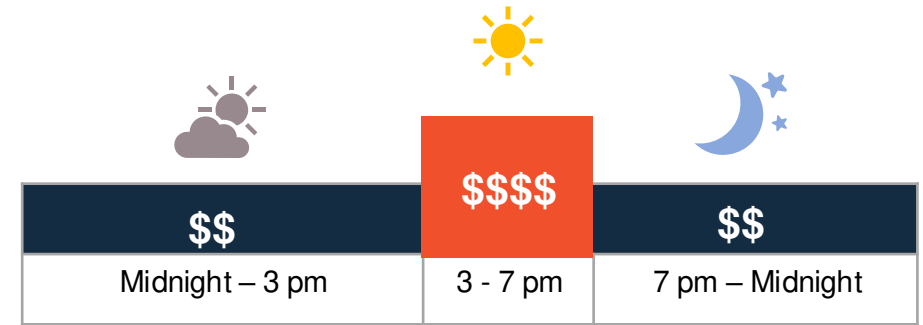
- The standard rate is the rate customers are automatically enrolled in, if they don't request an alternate qualifying optional rate.
- PSEG Long Islands standard residential rate historically has been a flat rat (Rate 180).
- Flat rate plans offer customers the same price regardless of the hour of the day or the day of the week.



# What are Time-of-Day rates?

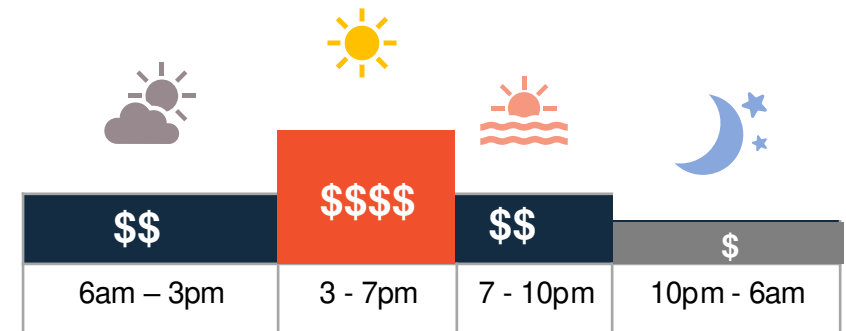
- Time-of-Day rates charge different prices for both delivery and supply to use electricity depending on the time of day.
- These rate plans offer customers **lower prices during hours when electricity is less expensive**, giving customers **more control over their energy costs** compared to the flat rate, which offers customers the same price regardless of the hour of the day or the day of the week.
- There are **20 hours in a weekday** where the rates are cheaper. **On weekends and federal holidays, all 24 hours** are the cheaper Off-Peak rate.

## Time-of-Day Rate 194: Off-Peak *New Standard Rate from Jan. 2024*



**No Peak hours on weekends & federal holidays:**  
All hours are Off-Peak

## Time-of-Day 195: Super Off-Peak *3-period option*



**No Peak hours on weekends & federal holidays:**  
Super Off-Peak 10 pm–6 am; Off-Peak at all other times

# Why is shifting to Off-Peak important?



- Time-of-Day rates shift high energy demand from more expensive peak hours and helps **reduce the need for backup power plants\***.
- Backup power plants are **less efficient** to run. These intermittent sources of generation **cost more** to operate, use more fuel, and have **higher emissions**.



- Reducing the overall system peak means less generation is required, **saving everyone money**.
- By simply shifting energy usage to Off-Peak hours, we can use **cleaner and more affordable power sources**, passing those savings through to customers.



- **Reducing system peaks** (by shifting energy use, like EV charging) also allows us to avoid **expensive T&D infrastructure upgrades and repairs** – another cost savings for our customers.

\* **Also known as 'peaker plants':** Power plants only used to meet peak energy demand

# How can customers shift their usage to save on a Time-of-Day rate?



**Don't sweat the small stuff** – basic electric usage during Peak is fine! Customers should cook whenever works for their families and use household items like LED lights, TVs and laptops during Peak. Customers can make **slight changes** in using **high energy use larger appliances** to help **save money**:

- ✓ **Stay comfortable** year-round and **save on energy bills** by pre-cooling or pre-heating the home before Peak hours.
- ✓ Start the dishwasher at **the end of the day** or set dishwasher **built-in timer** to Off-Peak.
- ✓ Use **adjustable load washer option** for smaller loads and keep big loads of laundry for the **weekends**.
- ✓ Program **pool pumps** to run during Off-Peak and Super Off-Peak hours.
- ✓ **Electric vehicle** owners will see **instant savings on Time-of-Day** by charging overnight. To make it easier, most electric vehicles and EV chargers come with a timer that lets customers charge their EV at a specific time.


# Easy Changes, Easy Savings

- On Time-of-Day, electricity prices are based on **when customers use energy** (Peak and Off-Peak periods).
- The new rate structure is designed to **help customers save money and support the move to clean energy** on Long Island and in The Rockaways.
- Customers can save money with a few **small changes**, like doing chores that consume a lot of energy before 3 PM and after 7 PM every weekday. This means customers have **20 hours every weekday, and all day on weekends and federal holidays, to save!**
- In fact, for **88% of all the hours in a year**, electricity will be at a lower price than the flat rate.
- With **Guaranteed Bill Protection**, eligible customers can try the **Time-of-Day rate risk-free for up to a year** and learn how to identify and shift household equipment used during each season of the year, giving customers the confidence they need to try out the rate over an entire year.



**i** **Guaranteed Bill Protection**

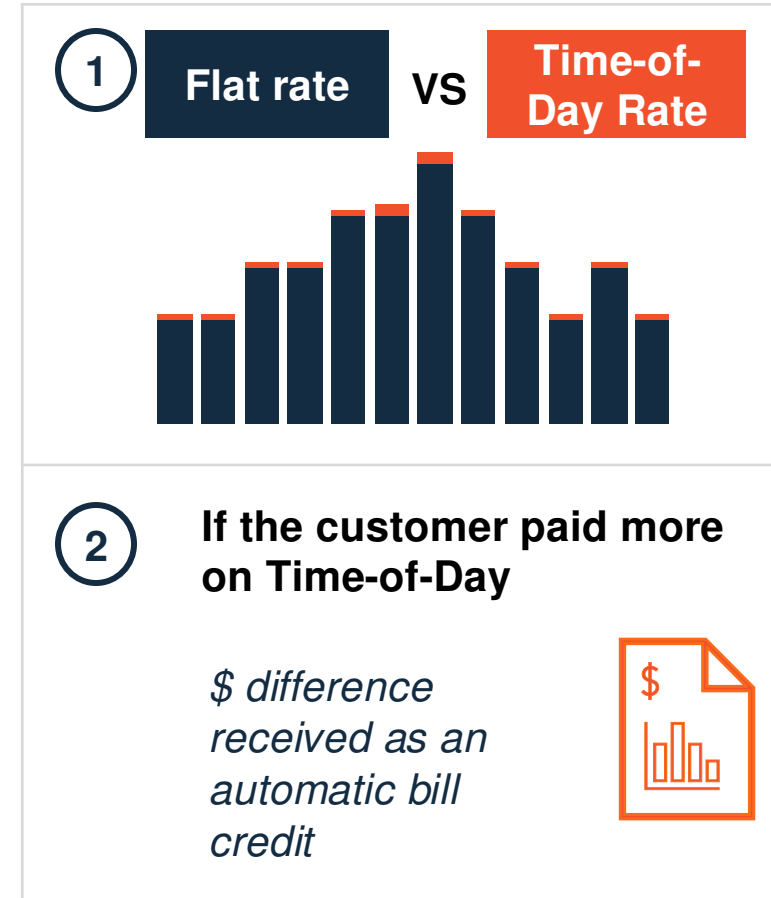
See how Time-of-Day benefits you for up to one year with nothing to lose. It's our guarantee. If you don't see savings in 12 months from this new rate, we will automatically credit the difference to your account.\*



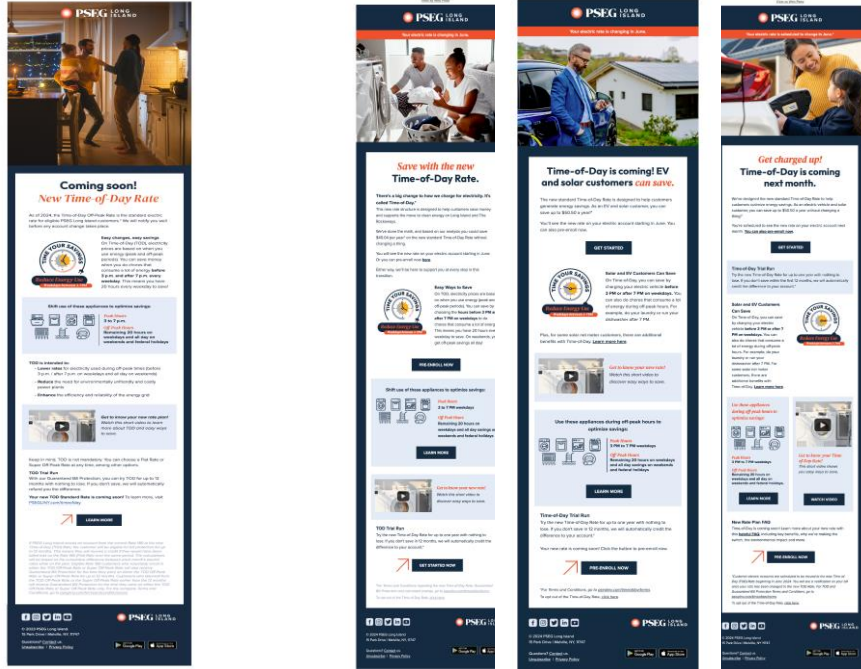
# Guaranteed Bill Protection

*What happens if a customer would have paid less on the flat rate?*

- If a customer ends up paying more than they would have done on a flat rate (for up to 12 months), they will receive the difference as a bill credit to ensure they don't overpay on Time-of-Day.
- If a customer **switches back to a flat rate or moves out** of their current location prior to completing a full year, their **guaranteed bill protection will end early**. If a customer switches between the two Time-of-Day rates, their bill protection carries over (for up to 12 months on Time-of-Day).
- Customers who are migrated onto Time-of-Day, move-in and new customers who are automatically enrolled in Time-of-Day, as well as flat rate 180 customers who choose to enroll in Time-of-Day, will qualify for bill protection for up to a year on the rate.



# Pre-Migration Direct Marketing



90 Day Letter & FAQ insert

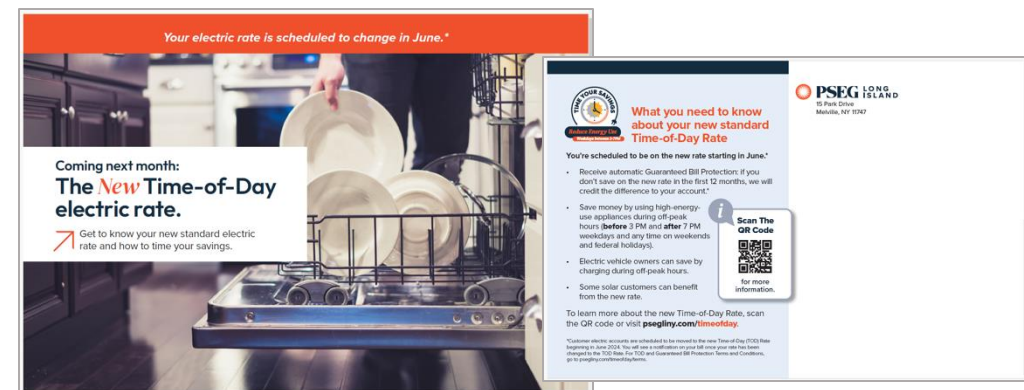
- Email:**
- Awareness
  - 90/60/30 Day\*
- Direct Mail:**
- 90 Day Letter\* with FAQs
  - 60 Day 3-Panel Mailer BRC/QR\*
  - 30 Day Postcard

Awareness

90/60/30 Day



60 Day Mailer with BRC

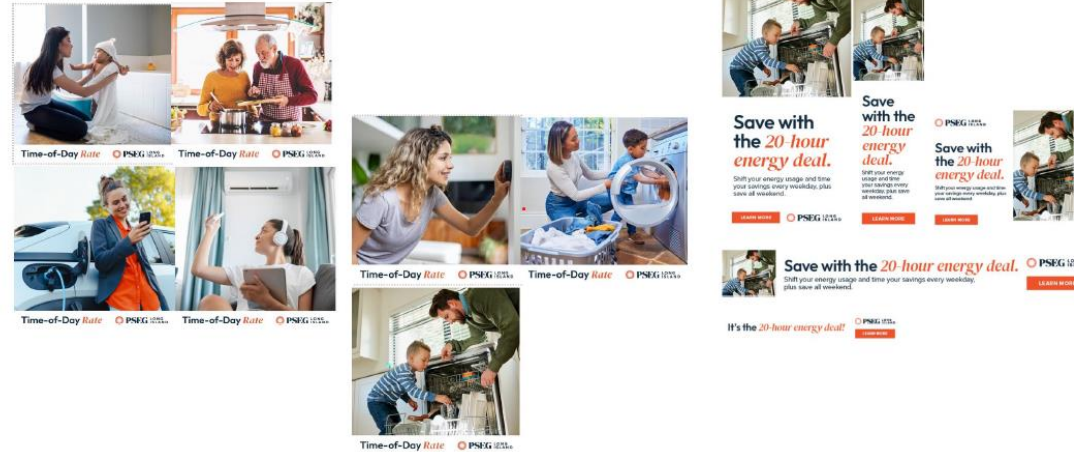


30 Day Postcard



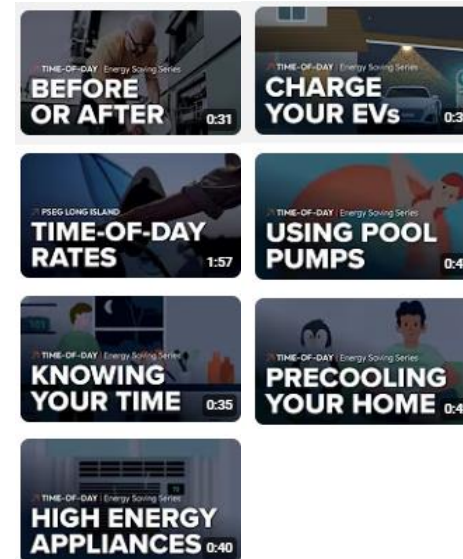
# TOD Mass Market Communication

## Digital Display Ads



Digital display banners and video ad spots for Groups 1-4 are targeted by customer email address.

## Video Ad Spots



## Time-of-Day Videos

<https://www.youtube.com/playlist?list=PLFWQccEE12thn92pd1fYL745dE1QddxyA>

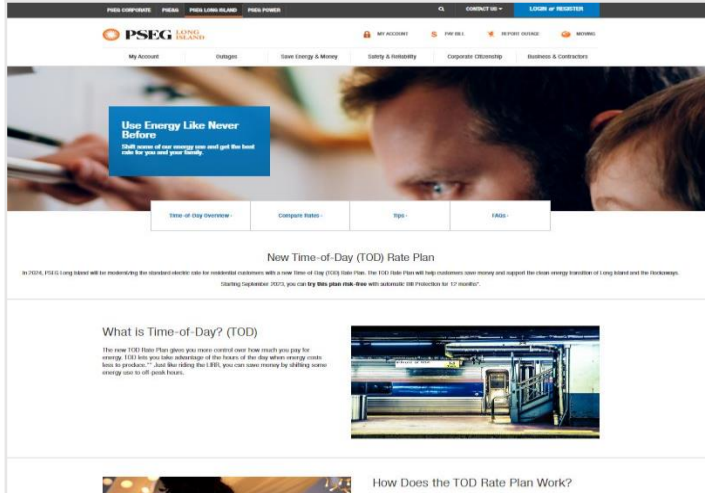


PSEG LONG ISLAND

# TIME-OF-DAY RATES

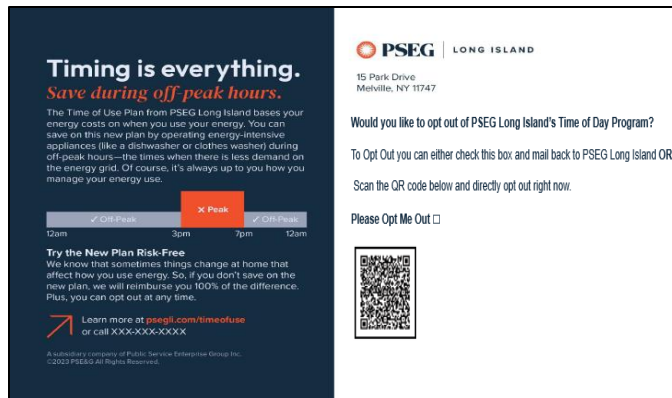


# Self-service tools are available for customers



PSEG Long Island’s website will be updated throughout the program with educational information for our customers:

- Rate information
- Rate comparison
- Tips
- FAQs
- Informational videos



(example only)

**Personalized ‘One Click’ links** will be included in direct email and mail to customers ahead of migration or opt out of migration:

- One click link in migration notifications
- QR code in business reply card
- No log-in required

<https://www.psegliny.com/TimeOfDay>

# Rate Comparison Tools – CSR, Mobile App, MyAccount

*Personalized Insights for Customers*

4:44 PSEG LONG ISLAND  
Good Afternoon  
33 E 6TH ST  
\$127.00 Due Immediately  
View Bill Pay View Payment Plans  
Current Electric Usage  
Daily Avg: \$4.33 Total: \$121.22  
13.3% vs This Time Last Year

4:45 Select Plan  
Rate Change Information  
Current Plan  
General Use Rate 180  
est Savings \$2031 /yr. est Cost  
Keep Current Plan  
Best Plan  
Optional 4 hour Peak Rate 195  
\$335 /yr. est Savings \$1696 /yr. est Cost  
Select Plan  
Default 4 hour Peak Rate 194  
\$137 /yr. est Savings \$1894 /yr. est Cost

4:47 Select Plan  
Best Plan  
Optional 4 hour Peak Rate 195  
\$335 /yr. est Savings \$1696 /yr. est Cost  
Peak - 3 PM to 7 PM Mon to Fri, excluding holidays  
Super Off Peak - 10 PM to 6 AM every day  
Off Peak - All other hours  
Additional Information: Once on this rate, you are automatically eligible for the Risk Free Guarantee for up to 12 months.  
Enroll Back To Comparison

PSEG LONG ISLAND My Account Bills & Usage Ways To Save Outage Moving  
Choose the Plan that Works for You  
Choose the rate plan that suits how and when you use your electricity. Cost estimates are based on your energy usage over the last year. [Learn more](#)

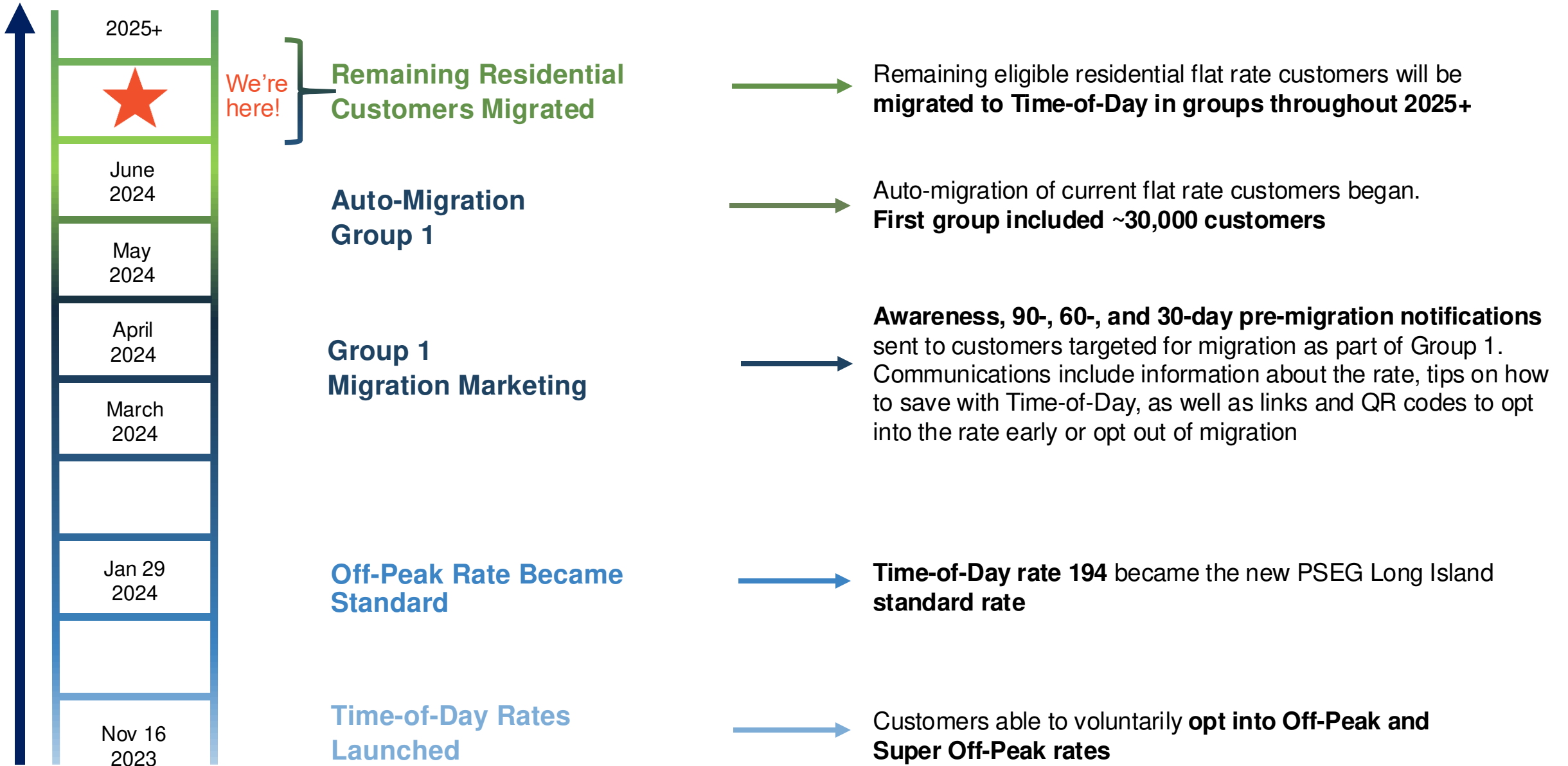
RATE COMPARISON TABLE	Best Plan Basic Flat CURRENT PLAN BEST PLAN	Time-of-Day Standard 2 Period	Time-of-Day Super Off-Peak 3 Period
Estimated Annual Savings by switching	-	-	-
Estimated Annual Cost	\$4753 / year	\$5124 / year	\$5573 / year
Plan Details			
Rate Plan	Rate 180/180 - Residential, General Use Hourly price consistent throughout each day KEEP CURRENT PLAN		

Annual price comparisons shown are based on actual usage for the last 12 months. Your annual costs [View Rate Details](#).

Need Help? Email Us 1-800-490-0025 (Residential) 1-800-965-4818 (Business) Check out our FAQs

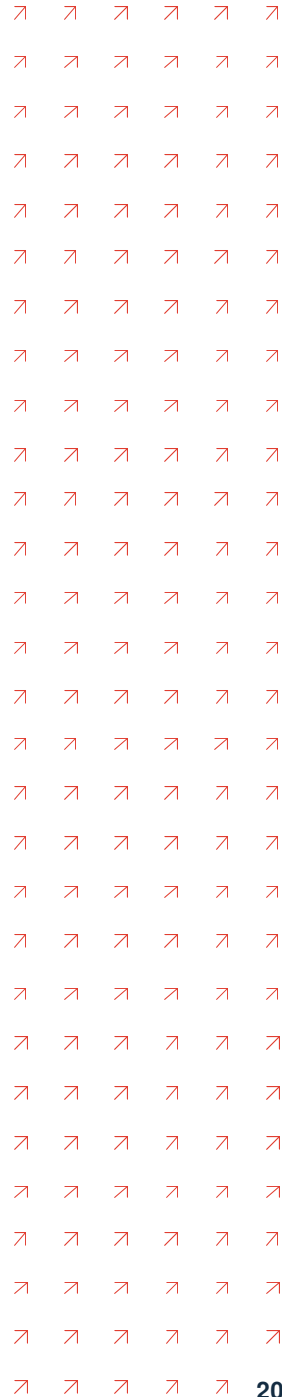
PSEG LONG ISLAND My Account Bills & Usage Ways To Save Outage Moving  
Choose the Plan that Works for You  
New Plan: Time-of-Day Standard 2 Period  
Estimated Annual Savings by Switching: -  
Estimated Annual Cost: \$5124 / year  
Time of Day: Peak - 3 PM to 7 PM Mon to Fri, excluding federal holidays  
Off-Peak - All other hours  
Additional Information: Once on this rate, you are automatically eligible for Risk-Free Bill Guarantee for up to 12 months.  
BACK TO COMPARISON ENROLL  
Thank You!  
Your rate change is in progress. Rate changes typically process within 4-5 business days. A confirmation email has been sent to the email address on file.  
Date: 10/30/2023  
New Rate: Time-of-Day Standard 2 Period  
Estimated Annual Savings: -  
Estimated Annual Cost: \$5124 / year  
PRINT CONFIRMATION HOME  
Need Help? Email Us 1-800-490-0025 (Residential) 1-800-965-4818 (Business) Check out our FAQs

# Where is the Time-of-Day project now?



# TOD Program Progress

*Customer Enrollment = 90,364\**



	Total As of 2023	2024 Program Enrollment								Total Customers
		Q1	Q2	July	August	September	October	November	December	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	
<b>Voluntary</b>	471	2,572	3,554	667	868	695	1,034	1,520	500	11,881
<b>Move-in</b>		10,619	14,969	5,940	5,280	4,848	6,689	4,841	5,000	58,186
<b>Targeted Migration Population</b>			28,615							28,615
<b>Total**</b>	<b>471</b>	<b>13,191</b>	<b>47,138</b>	<b>6,607</b>	<b>6,148</b>	<b>5,543</b>	<b>7,723</b>	<b>6,361</b>	<b>5,500</b>	<b>98,682</b>

\* As of December 2, 2024

# TOD Migration Schedule

## *2025 Migration Schedule*

	January	February	March	April	May	June	Summer Pause	September	October	November	December	
Estimated Target Group Size	50,000	70,000	95,000	95,000	95,000				95,000	95,000	95,000	95,000
Migrate Billing Cycle Date	Group 2	Group 3	Group 4	Group 5	Group 6				Group 7	Group 8	Group 9	Group 10
Send First TOD Bill		Group 2	Group 3	Group 4	Group 5	Group 6				Group 7	Group 8	Group 9



Thank  
*you*



# ROUNDTABLE DISCUSSION

# PROPOSED 2025 CAB MEETING DATES

---

Tuesdays, 12 p.m.

March 18th

June 17th

September 16th

December 9th

