

# Fact Sheet: LIPA 2025 Budget as Compared to 2024

The development of the Long Island Power Authority's (LIPA) annual budget starts with our Board of Trustees, who define our purpose and vision and set expectations for the strategic outcomes management is expected to achieve within the core functions of the utility. The Approved 2025 Budget reflects months of effort by LIPA, and its service provider, PSEG Long Island, starting with initial budget and performance metric proposal reviews and resulting in a detailed line-item and project-level budget report that maximizes cost saving opportunities and federal funding where applicable.

The Approved 2025 Budget consists of an **Operating Budget of \$4.43 billion** and a **Capital Budget of \$1.0 billion**.

A key component of LIPA's Board policy on Fiscal Sustainability seeks to provide customers, investors, and stakeholders with timely, transparent, accurate, and useful information to evaluate LIPA's financial performance and plans. In keeping with Board policy, LIPA is participating in New York State's recommendation to provide a one-page summary of our 2025 Budget as compared to 2024, and the projected impact on customer bills.

## Average Residential Monthly Bill Impact

Components	2024 Budget	2025 Budget	2024 vs 2025
Delivery & System	91.09	95.99	4.90
Power Supply	82.04	84.01	1.97
Distributed Energy Resources	3.30	4.00	0.70
Taxes, PILOTS, Assessments	1.64	1.35	-0.29
Merchant Function Charge	0.60	-1.56	-2.16
Revenue Credit	8.04	8.30	0.26
Typical Average Residential Bill Assuming no Increased Consumption	\$186.71	\$192.09	\$5.38
Increased Consumption	0.00	1.89	1.89
<b>Typical Average Residential Bill</b>	<b>\$186.71</b>	<b>\$193.98</b>	<b>\$7.27</b>
<b>Percent Increase</b>			<b>3.9%</b>

## Operating Budget

Operating Budget (\$000)	2024 Budget	2025 Budget	2024 vs 2025
Power Supply Costs	2,019,085	2,068,435	49,350
T&D & Construction Operations Services	245,927	246,760	833
Customer Services	122,932	127,014	4,081
Energy Efficiency & Utility 2.0	111,907	109,614	(2,294)
Information Technology & Cybersecurity	99,660	100,654	994
Storm Restoration	83,500	83,500	-
LIPA Operating & Managed Costs	132,760	127,265	(5,495)
All Other Delivery Costs	151,178	146,120	(5,058)
PILOTS, Taxes & Fees	350,944	350,907	(38)
Debt Service and Coverage	970,517	1,066,134	95,616
<b>Total Operating Budget</b>	<b>\$4,288,410</b>	<b>\$4,426,401</b>	<b>\$137,991</b>
<b>Percent Increase</b>			<b>3.2%</b>

## Revenue Budget

Revenue Budget (\$000)	2024 Budget	2025 Budget	2024 vs 2025
Residential (Gross)	\$2,248,592	\$2,334,523	\$85,931
Bill assistance Programs	(25,103)	(30,222)	(5,119)
Residential (Net)	2,223,489	2,304,301	80,812
Commercial	1,941,388	1,960,184	18,796
Other Public Authorities/ Street Lighting	71,343	72,570	1,227
Miscellaneous Revenues and Other Income	29,244	67,013	37,769
Grant Income	22,945	22,333	(612)
<b>Total Revenue &amp; Income</b>	<b>\$4,288,410</b>	<b>\$4,426,401</b>	<b>\$137,991</b>
<b>Percent Increase</b>			<b>3.2%</b>

## Capital Budget

Capital Budget (\$000)	2024 Budget	2025 Budget	2024 vs 2025
Transmission and Distribution Projects	\$605,368	\$635,269	\$29,901
Information Technology Projects	72,273	95,611	23,337
Other General Plant Projects	31,738	71,860	40,122
All Other Capital Projects	72,120	117,232	45,112
FEMA & PSEG Long Island Storm Hardening	71,740	85,934	14,194
<b>Total Capital Budget</b>	<b>\$853,239</b>	<b>\$1,005,906</b>	<b>\$152,667</b>
<b>Percent Increase</b>			<b>17.9%</b>

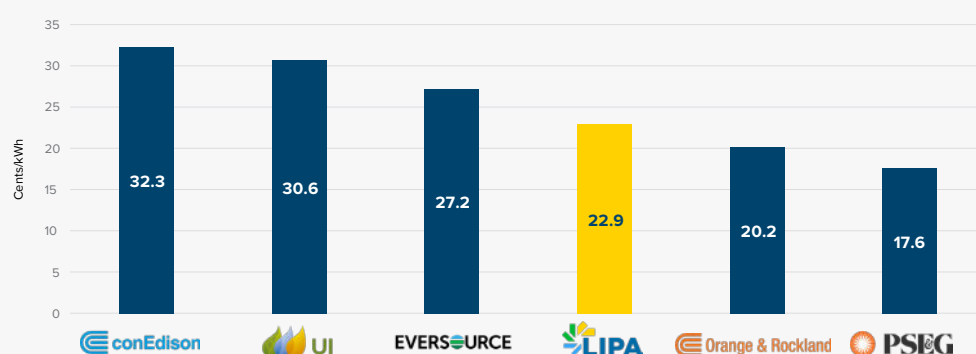
## Funding Sources for Capital Budget

Funding Sources for Capital Budget (\$000)	2024 Budget	2025 Budget	2024 vs 2025
Funding from Operating Budget	\$282,079	\$304,835	\$22,756
FEMA Mitigation Grants	4,626	29,881	25,255
Debt Issued to Fund Projects	566,534	671,189	104,656
<b>Total Funding Sources</b>	<b>\$853,238</b>	<b>\$1,005,906</b>	<b>\$152,667</b>
<b>Percent Increase</b>			<b>17.9%</b>

## Budget Highlights:

- Debt service and related coverage costs (i.e., the cash contribution to capital projects) are increasing \$106 million (12%) in 2025.
- Power Supply Costs are increasing \$49 million in 2025 due to primarily to higher market prices to secure Regional Greenhouse Gas Initiative allowances.
- The LIPA and PSEG Long Island Operating Budgets remain relatively flat to 2024.

## Regionally Comparable Rates



The average LIPA residential bill has increased 2.9% per year since 2018.

