

LONG ISLAND / SUFFOLK

Southampton Town considers program that puts (energy) power in hands of the people

The board must first adopt a law for a procurement model similar to one in Westchester County that has saved ratepayers \$17 million, but the supervisor wants to proceed with caution.



Lynn Arthur, center, energy chair of the Southampton Town Sustainability Committee, speaks with other town officials about the Community Choice Aggregation program. Clockwise from right are Janice Scherer, Mike Lieberman and Debra Keller. Photo Credit: Gordon M. Grant

By Vera Chinese

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Southampton Town is considering a program that would allow it to replace the Long Island Power Authority as its default energy supplier, potentially leading to rate savings for residents and the ability to select renewable energy sources.

The town is mulling a law enabling it to create a Community Choice Aggregation program, a state-approved energy procurement model that lets a municipality act as a power supply broker for its residents. Doing so could also allow the town to select a sustainable energy provider and help it meet its goal of providing all its energy needs through renewable sources by 2025.

No other Long Island municipality has adopted a CCA law, although a similar program has produced \$17 million in rate savings for Westchester residents, according to officials of the consortium known as Sustainable Westchester.

The town board is expected to vote on adopting the law — which is largely an exploratory measure and the first of many steps in creating the program — at its Feb. 26 meeting.

“Right now it seems like we have nothing to lose by moving forward, but we have to carefully examine all the details to make sure ratepayers are protected,” said Southampton Town Supervisor Jay Schneiderman.

The legislation is sponsored by Councilman John Bouvier, a Democrat. If the law is adopted, the town would then select a CCA administrator, which could be a nonprofit or a business. The administrator would then perform community outreach and data research before requesting bids and eventually awarding a contract. The program would also require approval from the state Public Service Commission, while LIPA would negotiate terms with the town.

The process could spur entities to develop renewable energy sources, such as new community solar farms, said Lynn Arthur, energy chair of the town sustainability committee.

“We create a market so they come to us and see what they can bring to the table,” Arthur said during a recent public hearing on the issue.

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Arthur, who has presented the matter before numerous town community organizations, stressed that any ratepayer can opt out of the program anytime at no charge, and that the town could choose to abandon the proposal if the bids are too high.

Schneiderman said he is cautiously optimistic, expressing his reservation that Southampton may not see the same rate savings as

Westchester because its utilities are structured differently. Unlike in Westchester, LIPA has a long-term contract with the for-profit PSEG Long Island, which is already charged with procuring energy at the lowest cost.

Profit margins in the energy supply market are “razor thin” for companies that provide power, said Daniel Eichhorn, PSEG Long Island president and chief operating officer.

“Most community aggregators struggle to provide a better price,” he said.

Arthur said that could change with market demand for local renewable energy. A 100 percent renewable energy contract could reduce the town’s carbon dioxide output by 1.1 billion pounds annually, she said.

Pursuing a CCA could, if nothing else, signal to LIPA that the town is committed to sustainable power sources, Schneiderman said.

“It maybe pushes them toward renewable energy,” he said.

State approved

A Community Choice Aggregation program gives participating communities several options and potential savings:

- Municipalities are able to seek bids to supply energy to their residents
- Municipalities can select contracts that will provide 100 percent renewable energy
- Ratepayers can opt out anytime at no charge
- Cost savings can be considerable. A Westchester CCA program has saved ratepayers \$17 million since 2016



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