

Suffolk Closeup: LIPA's poison pill

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lynn arthur



Assemblyman Fred Thiele Jr.

Assemblyman Fred W. Thiele Jr. (I-Sag Harbor) is preparing legislation to require the Long Island Power Authority to allow all Long Islanders to make use of Community Choice (CCA) Aggregation in the same way the rest of the utility ratepayers in New York State currently can.

“My fear from the beginning was that LIPA would stick a poison pill in any CCA program” for this area “and it has,” said Mr. Thiele.

Meanwhile, the Town of Southampton and the citizens’ initiative Choice Community Power are spearheading a petition drive on this, too. A petition to LIPA trustees has just gone up on the town’s website at southamptontownny.gov/LIPA.

CCA is a program a municipality can adopt covering users of electricity and gas in its area. The municipality could necessitate all or some portion of the supply generated by renewable sources such as solar and wind, and thus encourage the use of renewable energy. And the municipality through a “CCA administrator” could seek competitive bids for electricity and gas. In this way CCA would facilitate the purchase of energy on the open market so ratepayers would not have to settle for the price charged by their area’s utility.

But LIPA, charges Lynn Arthur, energy chair of the Southampton Town Green Sustainability Advisory Committee and a leading proponent of CCA, has undermined that aspect of CCA here. It has placed CCA under its “Long Island Choice” program with “an adjustment” that would eliminate the cost savings.

This, says Mr. Thiele, is the kind of “poison pill” he feared. “This surcharge, this poison pill, would take away any financial incentive for CCA,” said Mr. Thiele, chair of the Assembly’s Local Governments Committee.

Says Mr. Thiele: “I was always skeptical that LIPA would move forward on CCA because there’s nothing in it for them — although there’s a lot in it for ratepayers.” Mr. Thiele’s legislation would have LIPA provide CCA to this area’s residents “under the same terms that the state Public Service Commission provides for CCA to operate in the rest of New York State — and that’s without a surcharge.”

In 2016 the Public Service Commission opened up having municipalities in the state arrange for CCA programs. CCAs have formed across the nation with other states authorizing local governments to start them including New Jersey, California, Virginia, Illinois, Massachusetts, Ohio and Rhode Island. On Long Island, the Towns of Hempstead, Southampton and Brookhaven have passed measures providing for CCAs.

The petition on the website of Southampton Town reads: “Dear LIPA Board Members, It is important that Long Island residents are no longer left behind. CCA authority has been enabled for the rest of the state since 2016 and each of the New York State investor-owned utilities have already implemented CCAs ... It is important that Long Island municipalities are able to source the electricity power supply for residents and small businesses, to access clean energy markets, and to protect consumers with fixed electricity rates without cancellation fees. Further, the option of CCA on Long Island is essential for the success of New York’s Climate Leadership and Community Protection Act of 2019 declaring the environmentally critical standards of reaching 70% renewable electricity power supply by 2030.”

Jessica Strombach, managing director of Joule Community Power, the “CCA administrator” for Southampton Town, in a letter to LIPA CEO Tom Falcone and the LIPA board, wrote: “Southampton, Brookhaven and Hempstead have recently passed CCA laws and several other municipalities throughout Long Island are also considering passage of such laws. However, we are concerned because it has become clear to us that the structure of the LIPA Choice Tariff will not allow for a competitive CCA electricity supply process. This construct therefore blocks our authority, Gov. Cuomo’s agenda, as well as our own important municipal agenda. Indeed, as of today, the LIPA Choice Tariff, combined with LIPA billing limitations, blocks CCA in its entirety. This undermines the opportunity for all of Long Island ... LIPA asserts that this energy charge is simply a pass-through ... for LIPA’s purchase of on-Island capacity for which no market exists.” This, she says, creates “two classes of N.Y. citizen” with Long Islanders “denied the right” of those “in the rest of the state.”

Mr. Thiele said that the LIPA “extra charge” for CCA users is “another one of these cases of LIPA’s lack of accountability, lack of transparency and lack of oversight.”