

# Leveling the Energy Playing Field

By Christopher Walsh

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Gov. Andrew M. Cuomo signed legislation on Dec. 23 giving the New York State Public Service Commission the authority to require the Long Island Power Authority and its service providers to implement recommendations made in any audit where fraud, abuse, or mismanagement is found.

All service providers who contract with LIPA are required by statute to undergo a management and operations audit at least every five years. The audit is contracted by and issued to the Public Service Commission. The commission, however, did not have the authority to require that LIPA implement any recommendations contained in the audit, which the legislation addresses.

On the heels of that legislation's passage, Assemblyman Fred W. Thiele, its sponsor in the Assembly, is drafting a bill that he and supporters say is also necessary in order for community choice aggregation to be viable on Long Island.

Community choice aggregation allows a local government to procure electricity and/or natural gas on behalf of its residents, businesses, and municipal accounts from a provider other than the incumbent utility. In such a program, a municipality enters into contracts with energy service companies, or ESCOs, for power supply purchase options within its jurisdiction.

Options include power produced through 100-percent renewable sources, power produced through nonrenewable sources, or a blend.

The Long Island Power Authority's board voted last May to adopt the rules and regulations of the Public Service Commission's 2016 order authorizing a framework for community choice aggregation, which allowed Long Island municipalities to launch a program. But LIPA's C.C.A. tariff, or rules and regulations, requires C.C.A. customers to pay for on-Island power capacity under long-term LIPA contracts, a structure that limits the ability of an ESCO, and by extension a C.C.A. program, to offer competitive pricing.

That "surcharge," critics say, renders a C.C.A. program unworkable on Long Island. (The programs have been permitted in most of New York since the commission's 2016 order, but that order applied to investor-owned utility service territories only. As a public utility, it did not apply to LIPA.)

The second bill, which Mr. Thiele said will be introduced this month, "would by law ensure that Long Islanders who are part of LIPA's service area would be able to access C.C.A. by the same rules that have been imposed by the P.S.C. for the rest of the state," he said on Tuesday.

Southampton Town, along with Brookhaven, Hempstead, and Southampton Village, have adopted legislation enabling C.C.A. programs in those municipalities. In Southampton Town, Councilman John Bouvier sponsored a nonbinding resolution in support of Mr. Thiele's legislation giving the P.S.C. greater authority over LIPA. East Hampton Town approved its own enabling legislation in November, Councilman Jeff Bragman drafting and introducing a resolution urging the governor's support of Mr. Thiele's legislation.

Southampton Town officials have moved aggressively to see the removal of obstacles to C.C.A. implementation, posting a public service announcement, disseminating an email blast, and designing social media announcements to inspire grassroots support for Mr. Thiele's bill. They also gathered 1,100 signatures on a petition before the LIPA board's vote in favor of a C.C.A. tariff, and a letter of support with 355 residents' signatures was emailed to the governor days before the end of the 2020 legislative session.

The municipalities that are pursuing C.C.A., Mr. Thiele said, "have found it frustrating that with LIPA there have been several impediments related to the way the tariff is structured, things that people in other parts of the state don't have to deal with that make C.C.A. less attractive on Long Island." The goal of the bill being drafted is simply a level playing field statewide, he said.

"The greater the public demand for a vibrant competitive market for electricity on Long Island, the higher the likelihood the last obstacle in its path will be removed by the leadership in Albany," said Lynn Arthur, energy chairwoman of the Sustainable Southampton advisory committee.