

# LIPA board OKs allowing municipalities to procure own energy

By

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LIPA trustees on Wednesday approved a rule change that will bring a level of competition to electricity supply on Long Island by allowing local towns and villages to make wholesale energy purchases through contracts with third-party suppliers.

The long-awaited program, called Community Choice Aggregation, has already seen levels of interest from at least three towns: Southampton, Brookhaven and Hempstead, representing hundreds of thousands of potential customers. LIPA has 1.1 million customers. The program has been available for years across the rest of New York.

Southampton and Brookhaven towns had been urging LIPA for a year or more to approve amendment to the authority's official rule book to allow the program and both have either selected or narrowed lists of potential vendors to help administer the programs.

The municipalities would roll out the programs on an opt-out basis to ratepayers across their geographies — meaning customers in their towns would automatically be enrolled and could opt out at any time. Charges for energy would be integrated onto PSEG bills. They would allow the municipalities to focus energy purchases on green-energy suppliers and potentially buy at lower or more stable prices.

LIPA for years has offered a program called Long Island Choice that allowed individual customers to select an outside energy-service company to provide their electric supply. Businesses had been the primary users of the programs until a state tax break for commercial accounts expired last year.

LIPA chief executive Tom Falcone in an interview Tuesday said the shift of potentially hundreds of thousands of customers to community choice would not directly affect LIPA's finances because potentially lower revenues from community choice customers would be offset by lower expenses. "In the end it's a wash," he said. LIPA is still required to provide energy capacity to make sure Long Island meets peak energy demand requirements.

Community choice programs are operated by companies that specialize in power purchasing on a large, or aggregated, scale, offering discounts and generally more stable bills.

One of the largest implementations has taken place in Westchester County, where Con Edison and NYSEG operate in competition with the community choice supplier, Westchester Power. In data on the supplier's website, pricing for community choice has stayed stable

since the May 2016 start of the program, although Con Ed has been consistently lower priced since February 2019.

Lynn Arthur, executive director of Peak Power Long Island, a not-for-profit company that has been advising Southampton on the program, said that while community choice suppliers may not be able to procure power at rates less than LIPA, "we believe the CCA program ([ChoiceCommunityPower.com](http://ChoiceCommunityPower.com)) will be able to provide it for less than what PSEG Long Island is charging us." She noted that even a one-cent reduction in the cost of energy for ratepayers would save Southampton residents a combined \$7 million a year.

Southampton Town, which is working with administrator Joule Assets, noted its community choice program will be central to a plan to procure 100% of its energy from renewable energy resources by 2025, with pricing at or below current energy rates.

"While all of Long Island benefits from the LIPA Board of Trustee's vote, CCA is a tool essential to Southampton in order to meet its stated goal of 100% renewable electric energy by 2025," Southampton Town Councilman John Bouvier said in a statement, adding the program has "broad support from the community."

A spokesman for Brookhaven Town said its board is close to selecting an administrator for Community Choice, but COVID-19 restrictions have stalled the selection. "We still intend to pursue it," the spokesman said.