



Economic Development and Community Engagement Annual Update

August 11, 2021

AGENDA

- Large Business programs
- Small Business programs
 - Vacant Space Revival
 - Main Street Revitalization
 - COVID19 – related programs
- Measuring Awareness / J.D. Power Surveys
- Future Considerations

Programs For Large Business

- Business Development Rate:
 - 5-year bill credit program for new or expanding Long Island businesses
 - 2020 participation: 14 customers, \$300,000 in discounts
- Excelsior Jobs Program:
 - Statewide program providing utility rate discounts and tax credits to incentivize job creation, retention, and local investment
 - Statewide, over 700 projects providing 236,000 jobs and \$6.75 billion in capital investment
 - 115 Long Island projects accepted in the program
 - \$700,000 in discounts paid annually
- Recharge New York:
 - Energy commodity program with lower-cost hydro and market energy provided by NYPA, with PSEG Long Island as the delivery agent
 - Statewide, 71,450 jobs created or retained and \$2.4 billion in capital investment
 - 262 PSEG Long Island customers participate in this program

Small Business Program: Vacant Space Revival

- Vacant Space Revival Program
 - Helping local business districts fill vacant commercial spaces
- Program Goals:
 - Drive economic growth in local business communities
 - Create electric revenue from existing infrastructure assets
 - Create local jobs
- Incentives:
 - Subsidizes first-year electricity costs for new businesses
 - Rate 280 credits up \$1,500
 - Rate 281 credits up to \$10,000
- Participation & Incentives
 - 2019 levels – 35 customers & \$62,951 incentives
 - 2020 levels – 16 customers & \$55,536 incentives
 - 2021 to date levels – 15 customers & \$26,297 of incentives

Small Business Program: Main Street Revitalization

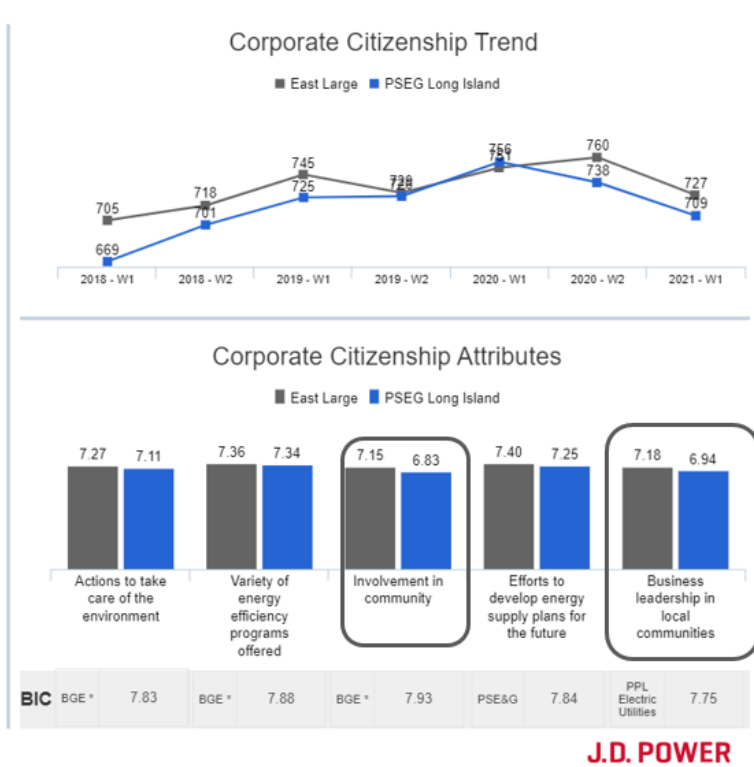
- Main Street Revitalization Program
 - Revitalizing under-utilized business districts
- Program Goals:
 - Support local communities and small businesses
 - Optimize the existing electric infrastructure
 - Create jobs and leverage capital investment
- Incentives:
 - Up to \$100,000 grant
 - Projects with greater economic benefits to the community earn higher incentives
- Accomplishments To Date:
 - 30 projects supported and 14 additional in progress
 - Projects have provided \$116 million in direct investment and created over 500 jobs
 - Estimated over \$48 million in financial benefit to local business communities
 - Total PSEG Long Island grants of \$746,000

New Programs Developed & Implemented In Response to COVID19:

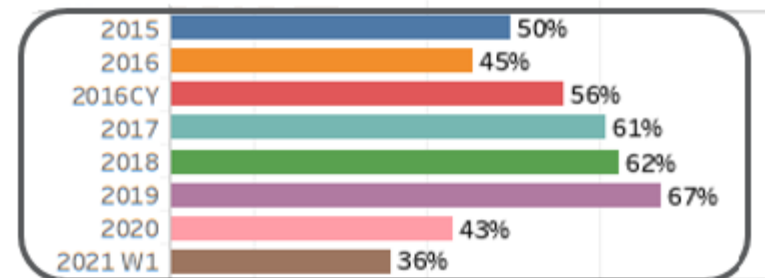
- 2020: Small Business First:
 - \$1.8M in energy efficient lighting renovations for small business at no-cost or low-cost. Designed to help businesses lower operating costs, save energy, and put contractors to work
 - Approximately 1,000 small businesses participated
- 2020: Rate 281 Demand Credits:
 - Issued credits to rate 281 customers impacted by COVID. Designed to offset the effect of ratcheted demand charges on business accounts that reduced electric usage
- 2020 / 2021: Main Street Revitalization - Chamber of Commerce Grants
 - Provided grants of up to \$5,000 to Chambers of Commerce to enable & enhance outdoor commerce
 - 36 individual grants provided to date
- 2021: Chamber of Commerce Beautification Grants
 - New program providing grants of up to \$2,000 to Chambers of Commerce for landscaping and beautification to improve appeal of business community
 - 6 individual grants provided to date

Awareness Measurement: COVID-19 has limited the ability to drive support and awareness of our programs

- East Large utilities, as well as PSEG Long Island have trended downward in awareness in J.D. Power surveys. PSEG Long Island recently launched a multi-channel campaign to counter this negative trend



*Percentage of PSEG Long Island **Business** customers who believe that utility supports economic development of local community*



Future Considerations

- Increase focus on:
 - Electrification: EV Fleets and Heat Pumps
 - Environmental Justice Communities

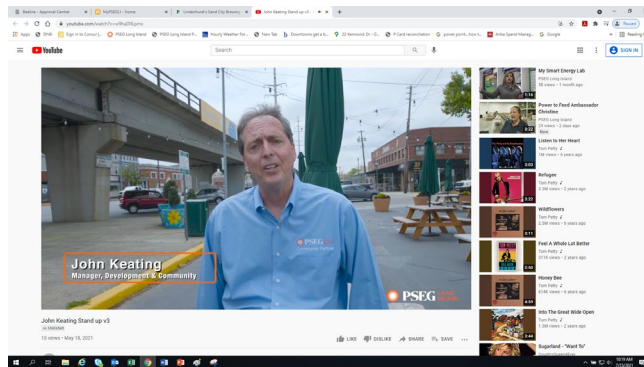


Questions?

Appendix

Video Promotions

<https://www.youtube.com/watch?v=w9haDILpms&feature=youtu.be>

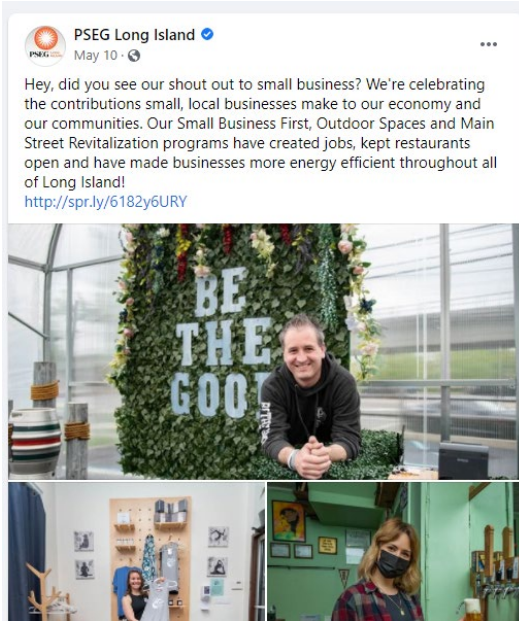
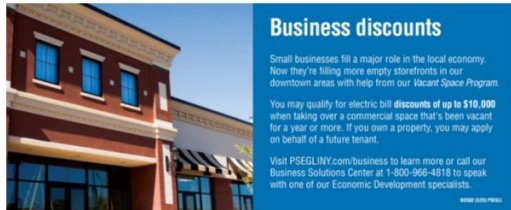


<https://vimeo.com/572580865> [vimeo.com]



Appendix

Print Promotions



FOR CONSIDERATION

August 11, 2021

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Approval of the Annual Report on the Board's Policy on Economic Development and Community Engagement

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to adopt a resolution: (i) approving the annual report on the Board Policy on Economic Development and Community Engagement (the "Policy"); and (ii) finding that LIPA has complied with the Policy since the last annual review, which resolution is attached hereto as **Exhibit "A."**

Background

By Resolution No. 1356, dated March 29, 2017, the Board adopted the Policy with the purpose of promoting the economic growth and vitality of the service territory through the efficient use of utility plant and equipment, consistent with LIPA's mission to its customer-owners. The Board last reviewed and approved updates to the Policy by Resolution No. 1537, dated June 24, 2020.

Compliance with the Policy

LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has complied with the Policy since the last annual review of the Policy.

The Policy requires that LIPA "promote the economic growth and vitality of its service territory." Additionally, the Policy "encourages the efficient use of utility plant and equipment and attracts personnel to LIPA and its service provider who are mission-oriented and dedicated to Long Island and the Rockaways." In accordance with the Policy, LIPA and its service provider will:

"Attract commercial customers to LIPA's service territory and help such customers grow their businesses through electric rates that are discounted below LIPA's average cost of service, without which rates such companies would not locate in the service territory."

- 50 large business accounts received discounted power through our Business Development Rate and legacy New York State programs, such as the Excelsior Jobs program in 2020. These businesses have received approximately \$1.3 million in discounts and provided over 1,200 jobs.

"Offer economic development rates and programs consistent with those offered by other utilities in the state or best practices within the electric utility industry."

- 262 large business accounts received power through the Recharge New York program, with commodity delivered by LIPA and its agent, PSEG Long Island. Collectively, since its inception, the Recharge New York program has developed over 2,600 jobs.
- 16 small business customers opened new accounts through the Vacant Space program in 2020, which encourages new businesses to occupy spaces that have been vacant for at least one year. Total incentives awarded during 2020 were \$56,000.
- A total of \$255,000 in incentives were awarded to support 11 community projects through the Main Street Revitalization program in 2020. Since 2019 these projects leveraged over \$116 million in private investment while creating over 500 jobs.

“Engage in community events, volunteerism, and educational programs consistent with the purpose of this Policy.”

- Due to the COVID-19 pandemic, two new programs were developed and implemented through working with the various Chambers of Commerce in our service territory. Grants of up to \$5,000 to enable outdoor commerce began in 2020 and to date have given out 36 grants totaling \$185,000. Beginning in 2021, the program was expanded to include grants up to \$2,000 for landscaping and beautification to improve the appearance of the business community.

Annual Review of the Policy

LIPA Staff has reviewed the Policy and recommends no changes at this time.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by the adoption of a resolution in the form attached hereto.

Attachments

Exhibit “A” Resolution

RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON ECONOMIC DEVELOPMENT AND COMMUNITY ENGAGEMENT

WHEREAS, the Board Policy on Economic Development and Community Engagement (the “Policy”) was originally approved by the Board of Trustees by Resolution No. 1356, dated March 29, 2017; and

WHEREAS, the Policy was last reviewed and amended by the Board pursuant to Resolution No. 1537, dated June 24, 2020; and

WHEREAS, the Board of Trustees has conducted an annual review of the Policy and affirms that the Policy has been complied with.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board of Trustees hereby finds that the Long Island Power Authority has complied with the Policy for the period since the last annual review and approves the annual report to the Board.

Dated: August 11, 2021