LONG ISLAND POWER AUTHORITY

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VIRTUAL ZOOM

TARIFF PUBLIC COMMENT SESSION

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December 2, 2021

6:00 P.M.


Before:

TOM LOCASCIO
Director of External Affairs
LIPA
APPEARANCES:

Tom Falcone

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MR. LOCASCIO: My name is Tom Locascio. I'd like to welcome you to our December 2nd public comment session on the reform management contract with PSEG Long Island.

I'm going to turn it over to LIPA'S Chief Executive Officer, Tom Falcone, who is going to go through a presentation on some of the key elements of the reform contract that will be before the LIPA board on December 15th, and then we will go to our public comment portion.

Tom?

MR. FALCONE: Good evening, everybody. And it's my pleasure to be here with you.

I would say that it is a special treat to spend any evening with a group of people that want to -- are interested in and want to spend time talking about your local electric utility. You are my kind of people. I'm joined here tonight by many members of LIPA's senior staff and our Board.

The comments, as Tom Locascio mentioned, are recorded. They will be put online. You will be able to look at the webinar on LIPA's website. And a summary of the comments will also be provided to the LIPA Board at its December 15th
meeting for their consideration. This is one of a series of public events, and we are also accepting written comments on the reform contract.

The one thing I wanted to do is start tonight with a little bit of background to frame our discussion, and then we're here to listen to you.

And so with that, can we move to the next page, Tom?

So what brought us here tonight?

It's been a rather long journey, a long odyssey, and it all started, as you may recall, on August 4th of 2020. That was Tropical Storm Isaias, and it was a big storm. It was very damaging to the electric grid on Long Island. Measured by the damage to the grid, it was one of our top five storms to hit the Long Island electric grid. It caused about 645,000 customer outages, and it took about eight days to restore.

We're not here, though, because of 645,000 outages. We're here because the restoration did not go well. If it had, we understand and know that we live on an island and, occasionally, we're going to be effected by big storms. It doesn't make
it something that we strive for. In fact, we strive
to minimize that dislocation; but, occasionally,
there will be big storms and there will be damages to
the electric grid, and it will take time to restore.
But you have a right to expect good information and
quick and efficient restoration and to be able to get
in touch with your local electric utility. These are
all reasonable expectations, and you have a right to
expect that. And this storm didn't meet that
criteria. In fact, all of our major IT systems
failed, and these are systems that you, our
customers, had invested a lot of money in.

On August 4th, it was not clear
what was going wrong, but it was clear that something
was going wrong. And on August 5th, LIPA, at the
request of its Board, began an investigation to get
to the bottom, even while the storm was ongoing, get
to the bottom of what happened.

The Department of Public Service,
which is the staff arm of the State Public Service
Commission, the regulatory commission, also opened an
investigation. Those opened on August 5th. And
LIPA, at the request of its Board, issued a 30-day
report with our initial findings in September. That
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initial report focused on the failure of the IT systems. There were proximate causes and immediate fixes that needed to be done to stabilize the systems.

If you go to the next page.

Then the Board also requested a 90-day report. By the time of that 90-day report, we had looked not just at the proximate causes, but the underlying root causes of what failed and concluded that they were management issues. And in deciding that they were management issues and that LIPA pays a lot of money for management services, the Board of Trustees, as well as the Department of Public Service, voted and asked LIPA staff to either terminate our relationship with PSEG or renegotiate it on acceptable terms.

The Board also adopted 85 recommendations that were made public and that PSEG filed plans to implement; and we have, on a quarterly basis, shown you the progress against those plans.

That decision to either terminate or renegotiate the contract lead to an initial view, once again at the LIPA's Board request, to hear and present publicly what our alternatives were. We
delivered that report in December, which was a complete report but a quick one. The Board asked us, pursuant to that report and its findings, to proceed with discussions with PSEG and simultaneously also evaluate our other alternatives. Those alternatives included privatization of the utility or a public utility, publicly-owned or a renegotiated contract with PSEG or a contract with somebody else as our management service provider or LIPA management.

We issued a report on April 28th. In that April 28th report we detailed and made public our findings on those options, as well as the requirements if we were to reach and renegotiate a deal with PSEG, what it would need to look like.

If you go to the next page.

At points, it did not appear like we would be able to seek adequate terms. The Board directed us to issue and fully explore the alternative providers; and in May, we issued a request for information and began that process. We also sought from you, members of the public, your feedback on these alternatives in that report.

In June, by late June, we had reached a tentative settlement agreement with PSEG.
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Long Island that met the eight reform objectives that the Board had set out. In that tentative agreement, we presented those terms publicly to the Board and that was a settlement, but it was a term sheet. It wasn't the final contract language.

If you go to the next page.

I think the most important thing was that it ensured stronger management structure accountability and oversight, and it also shortened the contract term. We, at that point, proceeded at the Board's direction to negotiate with PSEG.

If you go to the next page.

And it took until November 9th to reach an actual settlement agreement, a proposed settlement agreement, the final terms, and we made that more-than-100-page agreement available on our website. In addition to making that 100-page agreement available on our website, we also posted 2022 performance metrics that would be under this agreement. And I'll talk more about those in a minute.

You see on the right those eight items that we detailed and then an options analysis. And I'll spend a minute talking about each of those
eight elements, the things that were requisite for us to continue a relationship with PSEG. The Board instructed us to not come back without addressing at least these eight things.

If you go the next page.

I'll briefly cover these, and these materials are also available online on our website.

But objective one, a greater share of PSEG's management compensation had to be at risk.

We pay approximately $80 million a year and under our old contract, only 10 million of that was at risk, compensation for performance. Under the new contract, proposed new contract, 40 million or 51 percent of the contract fees would be at risk.

Number two, the Board said that there have to be a new way of gauging performance.

Under the old contract, the performance measures that that $10 million were determined by were set in 2013, and it required mutual agreement to update. I think that the contract was well-intended. However, as time marched on, those measures became somewhat stale and reaching neutral agreement update to stronger, more strict performance measures that also accounted for all the variety of services PSEG provides to LIPA.
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and its customers became challenging.

Under the new agreement, the Board said no, there has to be an independent process that set standards pursuant to the desires of the Board for the service to the customers. And this contract does that, and it also expands the number of metrics from approximately 25 to more than a 110, covering all the scopes of services.

So, for example, under the prior contract, there were no performance measures related to IT systems that failed. Under the new contract, there are many.

If you go to the next page.

It wasn't -- it was not just sufficient that we have incentives. We also have to have penalties or failure to achieve minimum levels of performance and under the contract, 10 to $20 million is at risk for exceeding budgets. 5 to 10 million is at risk for failures to implement the emergency response plan that the LIPA Board and the Department of Public Service approved each year that PSEG is supposed to execute in the event of outages. This is about a thousand-page document. You can see it on our website.
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If reliability, the average minutes a customer is out of power, fall below minimum standards, there's a ten million automatic penalty in the contract, customer satisfaction and three million penalty; and if there are two consecutive failures, we have the right to terminate the contract. I should mention failures to implement the emergency response plan for a 72-hour-or-more storm also give us a right to terminate the contract.

Violations of the emergency response plan or failure to provide safe and adequate service, subject to an investigation, another 20 million. So in total, 10 million is at risk, based on a calculation of failures to meet a minimum level on the emergency response, and we can terminate. An additional 20 million, so 30 million in total, if an investigation finds other violations of the emergency response plan in the event of a major outage.

Failure to implement minimum protocols for cyber security, also an event of failure or an event of default for which we can terminate.

The contract term has also been shortened, and the importance of this is that the old contract had a -- gave to PSEG, essentially, a right
of renewal at their option for an additional eight years. So while the contract term extended to 2025 with that right of renewal, the contract could extend all the way to 2033. We eliminated that option of PSEG to automatically extend the contract at their right. And if we agree to extend the contract, it will be based on the performance over the next four years, and that will be a future decision of the LIPA Board based on how the contract goes.

Number -- the next objective on the page in the middle of the page, management. It was ultimately a management failure. And you can read all about it in those publicly-available reports. But we insisted on a dedicated and strengthened management team with all the authority necessary to provide service to Long Island, to make sure that those individuals who run the utility every day are exclusively focused and dedicated and coming in every day, thinking about Long Island. It also requires the addition of five new senior level positions, all based in Long Island.

The contract requires a duty of candor, and if there's a violation of the duty of candor as described here on the page, that also

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provides a right to terminate the contract early.

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It requires that if LIPA finds --
and the Board adopts with the recommendation of the
Department of Public Service as well -- if LIPA finds
that there is deficiency in operations, there is a
period of time with which to correct that deficiency
under the contract and its term limited.

Objective seven. Long-term
planning, budgeting development and cost management.
The contract requires the development of long-term
plans to meet the scopes of services that are
required.

Objective eight. The partitioning
of the Long Island IT systems separate from New
Jersey, which provides greater clarity and
responsibility. This was another core Isaias
finding, and you can read all about it in our report.

If you go to the next page, those
describe the contract terms. But let's come back to
what we're trying to achieve. We're not just trying
to achieve a better contract. The real ultimate goal
is to provide great service to our customers.

Service that you should be proud of; clean, reliable,
resilient service at affordable prices.

The LIPA Board has adopted standards, directives of what that service should look like, and you can read all about them on our website. But they include great customer satisfaction, high reliability benchmarked to the top ten percent of utilities, industry-leading emergency response, clean energy, 70 percent renewable energy by 2030 and an entirely carbon-free grid by 2040 and rates that are comparable to our region.

So you can read all about the Board's standards, and this contract provides the mechanism to make sure that the PSEG management comes in every day, focused on achieving those objectives.

If you go to the next page. I mentioned there's $20 million at risk for meeting these performance standards and there's another 20 million at risk for failures to provide safe and adequate service, basically subject to an investigation.

To talk a little bit about these performance standards, because they are a key part of the contract on the next page, what you can see is that they cover all the types of services that PSEG
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management, or PSEG's managing, too, to provide
services to LIPA and its customers. So reliability,
resilience, risk management, customer satisfaction
external affairs, IT operations, major projects. And
they cover all the scopes: Information technology,
customer service, T and D, business services, power
supply and clean energy.

You can read all the details on our
website if you click on that link or go to
"LIpower.com/reformcontract".

There's a more than 100-page
document. And on that 100 pages, you can see for
each measure how it's defined and whether -- how PSEG
would get paid under that measure.

If you go the next page, I will
just highlight a few examples so you understand the
types of things I'm talking about.

For example, there are three
performance metrics of the 96 performance metrics;
there are three around asset management.

Why should you care about asset
management?

Well, the utility business is a
very asset-intensive business; all those poles and
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wires and substations. And they all have to be maintained reliably. And not just reliably, we have to collect the right data, we have to maintain them in -- on the right schedule, we have to use the data that's available to us. Doing all these things increases reliability and reduces cost.

Implementing a world-class asset management program is what this goal is about; and the standards and progress towards that, you can read all about.

Customer information system. Why should you care? Well, that's the backbone customer system. That's when you call and interact with our call center and you get a bill. That's the backbone system by which we deliver all services. And if you don't have a modern customer information system, it's going to be very hard to keep up with providing the types of services that people come to expect in an age when you can do one or two clicks or use an app and find out more about your service, your billing and meet your needs your own way.

Reliability. There are many standards and the 2022 metrics that you can read about. Just to highlight it: PSEG has to fall
within the top ten percent of utilities for
reliability on blue sky days. They have to reduce
the number of customers that have four or more
outages a year by 22 percent next year. They have to
reduce the numbers that have flicker outages by more
than 13 percent and reduce customers with 6 or more
flicker outages by 20 percent. These are all good
reliability measures.

Resiliency. We have very
aggressive storm resiliency programs. We all know
storms are getting worse. And we have not just --
things that will be executing next year but also
pilots that will lead to new plans and programs in
future years. And you can read all about those types
of initiatives that we'll be delivering on in the
coming year and in future years.

Customer satisfaction. PSEG has to
implement seven particular projects to improve
customer satisfaction next year. They have to
respond to your calls and emails in a timely manner.
They have to respond to social media and tweets,
especially ones related to health and safety in a
timely manner.

They have to expand our low income
discount programs for our customers that are less well-off by 34 percent compared to the historic level of participants in those programs.

Go to the next page.

More of these measures include an integrated resource plan, which is something that we've run a public process around, this planning for how we're going to meet a zero carbon electric grid over the next 20 years, to deploying more energy storage on the grid and award those contracts, complete the analysis to award those contracts by the end of next year. Meet very aggressive energy efficiency and electrification goals for transportation and for home heating. These will reduce carbon in other sectors of the economy, not just the electric grid, but in the biggest sources of carbon emissions for Long Island. And you can read all about those plans on our website.

Doing things to make Long Island more EV ready. Simplifying the interconnection process for customers who want to put solar on their roof.

Expanding time-of-use rates. What is that? That's an option for you to pick different
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rates that perhaps better meet your needs or save you money.

Work management. We all want efficiency. Tracking work better, making sure we have the right staffing levels, reducing overtime, completing capital projects on time. These are all just examples of measures and including the IT measures where one is about measuring and benchmarking to a LIPA-hired benchmark expert consultant to come in and look at how well we implement our major IT systems and make sure we're following best practices in those areas.

Go to the next page.

So the importance of all this is that this is not a second chance for PSEG that's based in hope. This is a second chance based on binding contractual commitments with incentives with a stronger local management structure that we believe fundamentally address the core issues out of Tropical Storm Isaias. We're putting this in front of our citizens here on Long Island, our customers, our stakeholders and ultimately our Board. And what we're here to do is listen to you and what you think about this.
Our timeline for public review includes a -- having released the contract on our website, which you can download if you have not already, starting on November 9th. Our November 17th meeting where we’ve heard from some members of the public, and we also discussed in detail the contract and the performance standards. These public comment hearings, as well as the ability to submit written comments, held tonight will be accepting written comments through December 9th, and then we will be presenting the -- the views of our stakeholders to the Board on December 15th, and they may consider the PSEG contract on that date as well, along with metrics and budgets further that you can find right on our website.

So if you go to the next page.

There is a lot of information on the website. We put out a couple of fact sheets that summarize this information. There’s links here on this page, or you can find it on the website. But you can find everything. You can find all those investigative reports. You can find our quarterly reports. We have issued over six written reports, each one generally in the 50-to-100-page range, over

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the last 15 months.

You can find previous public
comments that we have received. You can find videos
from the last year. You can find summaries. So
there's a lot of information there; and if anyone has
suggestions or more information, we're happy to have
it.

And with that -- if you go to the
next page.

We're going to turn it back over to
you for what we intend to do tonight, which is hear
from you. But as I started out with, we're here to
listen, and we're excited that you're excited and
have participated. Many of the people on this call
participated with passion over the last fifteen
months and care about your community and care about
your electric service.

So we celebrate that, and we thank
you for your active involvement and participation.
And thank you very much.

MR. LOCASCIO: Thank you, Tom.

So this will begin the public
comment portion of our meeting tonight. At this
point, I would ask anyone that's in the attendee log
to please raise your hand if you would like to speak.

What I will do is I will call off three names, and then we'll keep adding to that list. We can have several members of the community here tonight that would like to speak on this, and we want to make sure we give you ample opportunity prior to calling on you.

So our first three speakers based on order that hands were raised, Legislator Bridget Fleming, Kasey Scheid and Fred Harrison.

So at this point, I'm going to bring Legislator Fleming into the panelist room.

Hi, Legislator, good to see you again.

LEGISLATOR FLEMING: Good evening, Mr. Locascio. Good to see you as well. I appreciate the opportunity to be heard on this important topic and that you'll be hearing from members of the public as well.

Suffolk County -- I am Suffolk County Legislator Bridget Fleming. I serve as the vice chair of Public -- Public Works Transportation and Energy Committee. And I am the chair of the Community Choice Aggregation Task Force and the
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Renewable Energy Task Force at the legislature and
the chair of the Ways and Means Committee.

Suffolk County is a major customer
of the utility. Our electric bill has run as high as
$20 million in recent years. On June 8th, noting
with alarm that prolonged power outages and a
breakdown of the system used to communicate with the
public after Tropical Depression Isaias caused
widespread hardship and tried the patience of Long
Island Electric customers, the Suffolk County
legislature wrote to LIPA Board of Trustees
unanimously urging that full consideration be given
to the analysis of alternative options to the current
third-party management system.

Rather than seizing the opportunity
to make real change to the failed third-party
management system that has given us high costs,
reliability and customer care failures and outdated
technologies as the world faces increasingly alarming
climate impacts, we now see that we are returning to
a relationship with a failed partner. From my
perspective, this is a mistake.

On November 10th, in fact,
Senator Gaughran and Assemblyman Thiele urged the
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Board to delay voting on the contract and to suspend the process until the current investigation by the attorney general is complete in her investigation as to whether the failed response to Isaias actually violated state law.

535,000 customers were left without power and without any effective communication about when the lights would go back on, some for as long as ten days. The public needs additional time to review this contract.

Work is underway by legislators to take a hard look at the alternative option of a fully public utility. With some of the highest rates in the nation and with another rate hike proposed in the 2022 budget and more than 90 percent reliance on fossil fuel resources, it's high time that we pause before obligating ratepayers to another four years with a partner who has failed in so many ways, has not been fully forthcoming throughout this process and is still missing milestones with revamping the outage management system.

I note, Tom, that you mentioned that -- that this all began on August the 4th. I want to disagree with you on that. I think the
failures at -- following the storm, Isaias, in fact, gave us the opportunity to take a hard look at a failed third-party management system.

Unfortunately, the options analysis, which was a great effort that was underway in August, was suddenly hijacked; and without notice to many of the stakeholders who had been involved, we were informed in the newspaper that a contract was being pursued once again with a failed partner. Tweaking this failed third-party management system will not serve ratepayers. I appreciate that increasing penalties for failure to perform, a shorter term and flexibility to terminate the contract for failure to comply with a long list of new items is moving in the right direction.

But I urge you, as have others, to recognize that considerations are underway, both in Albany under the Attorney General and the state legislature, to look -- to take a hard look at what you were once looking at, and that is a real, rigorous options analysis and consideration of a fully public utility.

The urgency for fresh thinking that was presented to us on August the 4th, that the
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hardships that our ratepayers suffered in August
needs to be capitalized on before we move forward
with a contract with a failed partner. I urge you to
return to the public options analysis, delay entering
into this contract with someone -- with a partner who
has failed to be forthcoming and has failed to meet
metrics time and time again.

The basic third-party management
system is not serving LIPA ratepayers. Please take
the opportunity presented by the hardships suffered
by our ratepayers to take a fresh look and not go
back to the same old ways.

Thank you very much for the
opportunity to be heard. It's a tough issue. I wish
you all the best. I know we're all in it to serve
the ratepayers in a reliable and cost effective way,
and I offer my support for that, those efforts.
Thank you very much and have a great evening.

MR. FALCONE: Thank you, Legislator
Fleming.

And one other thing that I didn't
mention, but I do think is important, is that among
all of our termination rights is the right to
terminate for municipalization. We would have to pay
penalty to do so, about $60 million, which was built into the options analysis, but that is not different than what we have currently. So I do want to just note one thing, which is if the governor and the legislature as LIPA's public entity decide that we should go a different way, we've done nothing in the contract that precludes that addition.

LEGISLATOR FLEMING: I do appreciate that, and I know there's no -- you don't want a back-and-forth. But $60 million is three times the annual cost of electric to Suffolk County taxpayers for the Suffolk County services.

But I appreciate that, and I hope that you continue to think hard about the things that I've presented.

MR. FALCONE: Absolutely. Thank you, Legislator Fleming.

LEGISLATOR FLEMING: Thank you.

MR. LOCASCIO: Thank you, Legislator.

Next up, we'll have Kasey Scheid, followed by Fred Harrison, and then followed by Antonio Cruz.

So Kasey, we're going to move you
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into the panelist mode now.

MS. SCHEID: Hey, guys, how are you?

My name is Kasey Scheid.

I'm the Political and Communications Director for the International Brotherhood of Electric Workers Local Union 1049. We represent 4,500 proud members with almost 2,000 members working each day to operate and maintain the electric transmission and distribution system.

I wanted to come speak tonight on behalf of the union in support of the revised contract between Long Island Power Authority and PSEG Long Island. LIPA and PSEG have been -- they've maintained such a strong partnership with IBEW 1049, and they've always provided open lines of communications on issues that are important to our members.

Besides consistency being beneficial for our reports, PSEG took over in 2014, and the company's commitment to safety has resulted in a 62 percent improvement of OSHA cases. This means our members went home safely to their families every day. In addition, PSEG Long Island's commitment to reliability has not only benefited
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customers, but it's created jobs for our members.

Since they took over, 900 miles of
distribution mainline circuits have been
storm-hardened. In 2021, the section circuits that
have been storm-hardened, estimated at 53 reduction
in damage leading to outages compared to the rest of
the distribution system, this increases reliability
and enhances customer satisfaction.

We're proud of the work that we do
to support Long Island, and we enjoy our partnership
with LIPA and PSEG. Thank you for allowing me this
opportunity to speak. That's it.

MR. FALCONE: Thank you, Kasey. And
it looks like a beautiful cat as well.

MS. SCHEID: Thank you. He didn't
do this all day. She has to start. All right.

Thanks, guys.

MR. LOCASCIO: Okay. Next up will
be Fred Harrison, again followed by Antonio Cruz and
then Charles Nieves.

And one other reminder, we are
timing everyone. There's a five-minute limit per
speaker. So far, we've been held to that, so we are
keeping track, and we will let you know if you hit
that point.

Fred, you're moving in now. Hi, Fred. How are you? The floor is all yours.

MR. HARRISON: Okie dokie. Thank you. I'd like to start by -- my name is Fred Harrison. I'm a homeowner in Merrick.

I'd like to start by thanking the LIPA staff and Mr. Falcone for their work and for their thorough presentation tonight. I'd like to say about the new contract the following: The proposed new contract documents how PSEG has been a money pit for ratepayers. I thought that the cost of having PSEG manage the system was $80 million per year. That's wrong. Management fees and profits are only part of the story.

Looking at all the new metrics and deliverables required by the proposed agreement, those 96 performance standards makes it pretty clear that PSEG Long Island has been getting paid for work it has not done adequately, and it's not just IT work.

This is the eighth year of PSEG managing the system. They've profited handsomely, receiving hundreds of millions of dollars of
ratepayer money in fees and profits. What have we
gotten for our money? A company which needs
intensive supervision in virtually every area of
operation; transmission and distribution, IT, power
supply programs.

You named them, Mr. Falcone, 13
major operation areas in all.

And this is no ordinary contractual
supervision. LIPA will be closely watching PSEG, and
DPS will be watching as well. Lots of ratepayer
money and staff time will be devoted to all of this.

I was a high school teacher for
decades. The contract reads like a PINS petition on
steroids.

What exactly does PSEG corporate
bring to the table? How does PSEG management
contribute to ratepayer interest?

The evidence leads to the
conclusion that PSEG's orientations is to advance
PSEG, and that's understandable. We've seen that in
their past performance. We see it in their new ad
campaign.

On September 22nd, Mr. Eichorn
declared in a report to the LIPA Board that PSEG was
"back to controlling the messaging". That's for sure.

In its new ads, PSEG takes credit for the hard work and good will of its workers. It takes credit for the programs and improvements paid for by LIPA and its ratepayers. Not by PSEG. They don't do the job they are paid to do, but they do take credit for what others do. Not a bad racket.

Mr. Eichorn's language gives it all away. At that same September 22nd meeting, he reported that next "the next storm will benefit us, we welcome the next storm." Mr. Falcone remembers that incident. Can you imagine welcoming a major storm? Think of the death toll from Ida.

Mr. Eichorn was not thinking about me or my neighbors. He's focused on what's good for PSEG and its shareholders.

So the contract is clear evidence that you do not and cannot trust PSEG. You've said that. If the inadequate old contract remains in force, the malfeasance suit continues, and we have a PSEG which must by heavily policed by LIPA.

If we have a stronger agreement and it is a much better and stronger agreement, no doubt,
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we have a PSEG that must be thoroughly policed.
Either way, we have the albatross of PSEG and its 80 million in fees and profits.

We are counting on you to find a way out of this. We need you to outline a clear roadmap leading to the well-documented rate savings there for the taking. We don't need PSEG or any other profit-motivated service provider to manage things for us.

We trust the capabilities of LIPA staff. They are very good at what they do. They are fine public servants. We hope that you trust them too, trust them enough to run the system without PSEG. Thank you.

MR. FALCONE: Thank you, Mr. Harrison, for your very consistent interest in LIPA's affairs over the last year. You've come to many, many board meetings and public comment hearings; so we do appreciate your input.

MR. HARRISON: Thank you.

MR. LOCASCIO: Okay. Next up, we will have Antonio Cruz, followed by Charles Nieves and then Eric Weldman.

Antonio, I'm going to move you into MGR REPORTING, INC.
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the panelist view now.

MR. CRUZ: Awesome. Can y'all hear me?

MR. LOCASCIO: We can.

MR. CRUZ: Great. Thank you so much.

To begin, Mr. Falcone, I saw that in 2019, your base pay was over $280,000. And you know, for the sake of creating cost-effective measures for insuring people have access to public utilities and ensuring that electricity access is a basic right at this point, I think we need to address some concerns about the privatization of our electric grid and our energy system here in Long Island.

I see that the contract being proposed would essentially render Long Islanders splitting the cost of power and efficiency, whether that is in the form of 2.3 price hike in 2021 and 2022. It's in your contract, which I believe even PSEG projected was supposed to be lower in cost. But anyway, or in the tens of millions of dollars should PSEG fail to meet the demands for eco-friendly, efficient, consistent power distribution all on Long Island.
And now, I bring this up because regardless of good-faith arguments or speculation, which is essentially what Long Islanders are going to be doing at this point because at the end of the day, until we have dangerous storms and stuff like that that are caused by climate change, which, again, PSEG is not even projecting to meet those deadlines by 2040, which is still beyond recommendations to meet this by 2025, 2030. So, again, we are seeing issues with this.

But I don't think Long Islanders should be paying 30 million -- should have paid 30 million for poor system maintenance and stuff like that. And I believe if we municipalize, we can see cost-cutting measures like municipal bond access, department income and having this all be essentially streamlined, in my case, through Suffolk County departments, like the Public Works Department and infrastructure funding, as well as the Long Island Power Authority. All these institutions can do a lot more to ensure unionized jobs, lower costs, safer electric systems, et cetera.

So to bring this back -- and, again, I'm really trying to be brief here -- this
contract really doesn't address the concerns that a
lot of us have. This contract creates more
administrative-level jobs that would be salaried and
protected. This doesn't ensure that we would
actually be addressing, as well, inflation prices
here on Long Island because higher utility costs are
part of that problem, and that's why this crisis goes
beyond just keeping the lights on.

So people can actually afford to
sustain or live on these costs, and then it just acts
as another barrier for people to be able to live
here. And that's really what a lot of this comes
down to. So people are paying for inefficiency,
subcontracting and privatization, then we see climate
change, electricity access and power redistribution
aren't the priorities.

So, again, regardless of good-faith
arguments, I really do think that LIPA should undergo
municipalization efforts. I think we need to ensure
that efforts make sure that this is strictly a public
utility and not something that is contracted would
make this far more efficient, far more safer and far
more cost-effective. Thank you.

MR. LOCASCIO: Thank you, Antonio.
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Next up is Charles, then Eric Weldman, and then Margaret Maher will be up next.

Charles, we're going move you into panelist view now.

MR. NIEVES: Good evening, all. My name is Charles Nieves. I'm the Eco-Socialist Working Group Chair of the Nassau County chapter of the Democratic Socialists of America and a partner in the Reimagine LIPA Coalition.

I'm going to keep my statement relatively brief, but I'm going to come tonight to say transparently, I'm pissed off. From the time of Tropical Storm Isaias, PSEG's failures -- which they lied about on multiple occasions, you all even sat there on the Board calling out PSEG's lies and Eichorn lied to everyone's faces multiple times about the progress.

We were assured that PSEG had gotten their acts together, but when Hurricane Henri was threatening the coast, my memory -- according to my memory, I remember 7- to 14-day warnings of failure, potential failures, you know, power might be out 7 to 14 days, and I thought PSEG had said they would fix everything. But that's -- that's what we
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heard. Thankfully for Long Islanders, Henri did not
hit Long Island. And, mind you, it hit Rhode Island,
and their power was back within 1 to 2 days, I
believe, you know, versus the 7 to 14 days that PSEG
was warning us about.

You also said in the beginning of
this that you listened to us through the public
comments. 90 percent of the comments were for full
municipalization. Tell me how us coming here talking
about a renewed contract with PSEG was listening to
us. It wasn't.

I'm just going to say this in
closing: If you all vote for this contract, you all
should resign. And if you don't, the legislature
needs to step in and take over. And if they don't,
then they should resign. Thank you.

MR. LOCASCIO: Okay. Up next, we
will have Eric Weldman, followed by Margaret Maher and
then Laura McKellar.

Eric, we're going to move you in
now. Eric, you're on mute.

MR. WELDMAN: Sorry about that.

MR. LOCASCIO: Great.

MR. WELDMAN: My name is
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Eric Weldman, and I'm a New York senior organizer with Food & Water Watch, a national nonprofit environmental (technical difficulties) Reimagine LIPA campaign, along with the Long Island Progressive Coalition, Mothers Out Front, All Our Energy and so many other incredible activists and allies.

And we're here to send a message to the LIPA Board and to Governor Hochul: Long Island deserves, Long Island needs a publicly owned, controlled and managed power authority. Long Island deserves, Long Island needs to sever its relationship with PSE&G, a company with a track record, a long track record of failures and lies.

It's time to establish new standards for accountability, equity, resilience and democracy in our energy systems and to concrete an institution that's equipped to meet these standards, and one that will prevent climate catastrophe by moving the region off fossil fuel and transition Long Island to solar and wind power.

The time has come. The time has come for the Long Island Power Authority to end its relationship with PSEG and to finally end decades of failed private/public partnerships that put profit
over people.

No contract, no contract can alter, repair or rectify the fundamental disconnect between PSEG and the region's needs. The fact that the proposed contract contains a duty of candor requirement is alarming. We have to ask PSEG to commit, not to lie? What if they're lying about not lying?

No contract can overcome the fact that this is a flawed model. This causes widespread hardship at great cost to ratepayers. Long Island has been repeatedly battered by storms, the intensity and frequency of which are heightened by climate change. Climate change is an existential threat to Long Island, creating an urgent need to move off fossil fuels. We must stop transporting and burning frack gas.

Public power is the means by which we can ensure that Long Island fulfills its moral and legal obligation to transition to 100 percent clean renewable energy.

We have a new governor. We have new Board members and even more will be appointed. The Hochul administration and the LIPA Board have the
opportunity to acknowledge and move past the mistakes
of Andrew Cuomo and put the relationship with PSEG
where it clearly belongs, in the dust bin of history.

Food & Water Watch concludes with a
call to Governor Cuomo -- Hochul; now is our moment
to reimagine LIPA and end corporate control and abuse
of our energy systems and realize the benefits of
public power and full municipalization, real
accountability, reliable service, affordable power
and a transition off fossil fuels. Thank you.

MR. LOCASCIO: Thank you, Eric, for
your comments.

Next, we're going to move in
Margaret Maher, followed by Laura McKellar, and then
Mike Brady will be up after Laura.

MS. MAHER: Hello, my name is
Margaret Maher. I'm a volunteer for Food & Water
Watch. I'm a Long Island Power Authority ratepayer as
well. And I just want to put my two cents in, saying
that we need public power now.

This new contract with PSE&G does
not fix or lower our rates, we need to manip -- I'm
sorry, municipalize now. We all know how much it
costs to live on this island. It is so expensive
between the taxes and the water, the gas, the electric. These municipalities should all be public. We pay high bills that seem to serve stockholders over ratepayers, and this is just unacceptable.

We had many issues in the past such as Tropical Storm Isaias in 2020. PSE&G needs to be held accountable for their readiness of this storm. We know that they lied about the preparedness, their response and their upgrades it made afterwards. We want public power to serve the ratepayers, not the stockholders.

I can't even say this enough, who benefits from our hard-earned money? Our money that we make we are giving away to stockholders. The amount of money that is made, millions upon millions every year, is unbelievable. Speaking for myself and my neighbors, we, the public, want the Board to terminate its contract with PSE&G and commit to public power. Utilities like power and water should be public, they should all be public.

We need to go green to fight climate change. We need Governor Hochul to champion this cause. This is extremely important. We are paying so much money, and the benefit to us is very,
very little. It's really upsetting.

And one other thing before I close, I don't know who cuts the trees or who you hire to cut the trees, but it is awful. I just want to put that in there. I thank you for letting me speak and say my piece. Thank you very much.

MR. LOCASCIO: Thank you, Margaret. Laura McKellar, you are up next, and then followed by Mike Brady, and then Paul Merkelson after Mike.

Hi Laura, you're in the panelist view. You're on mute.

MS. MCKELLAR: Am I unmuted? Can you hear me?

MR. LOCASCIO: Yep, we can hear you now.

MS. MCKELLAR: Okay. Good. My name is Laura McKellar. I am a ratepayer in Greenlawn, New York. I am also a registered nurse, and I'm a mother of two teenage boys. I think one thing that I heard over and over again and I myself has said in these meetings, we are just all really fed up with PSE&G. We are just -- we're done, we're done, we're done with this relationship. Not only were they ill-prepared and not only was their response poor to Isaias, we
were lied to.

Now, if this were any other relationship in my life or in my children's lives or my friend's lives, I would say just end it. If this were an obstetrician, for example, I would not be setting new performance standards. I would not be creating a shorter contract with him or her. I would not be setting any sort of differences and risking compensation. I would say this person is not delivering my next child. And I think that's what we need to do.

Not only because of what we've seen in the past, but because of what we're going to be encountering in the future. We are truly at a crossroads right now that I think all of us see or ordinary people like me see in terms of climate change. Not just in terms of storms, but we see what's going on out west. We see the threat to our food, we see the threat to healths -- health. We see potential changes in infectious disease, of elderly people dying because they're too hot. We see the threats. We cannot turn away anymore.

So as we end the relationship with PSE&G, this gives us an opportunity for a new
relationship that public power grants us. We're also going to have to entirely change the way that we produce and consume energy, we have to do it, there is no option. And on top of it, the way we consume energy is actually going to be more electrified, so it's going to be putting even more pressure and strain on the infrastructure, that is in turn, also threatened by these storms that are only going to get bigger and bigger. So in the process, we also need to be creating clean and energy and efficient energy. We need to get away from fossil fuels that we are not exacerbating the problem that is creating the storms.

But it's not all doom and gloom. Like I said, it really is an opportunity for public power. This is a huge opportunity for us. We can create new jobs, we can make sure that those jobs are going to people who have been most unjustly affected by climate change, by pollution, by all of this, by just the unfairness of life itself. This is a huge opportunity, and we can cannot rely on a corporate entity to do this.

This is something that we have to do together, as communities, as government, as scientists. And we need community input. We need
community members at the table. I said before in 
other meetings, we know what we need, we know what we 
want and we work together with experts. We work 
together with LIPA. We can do this. We do not need 
PSE&G. We need to end -- we need to end this 
relationship and we need public power. 

Thank you so much for letting me 
speak.

MR. LOCASCIO: Thank you, Laura, for 
your comments.

Next up will be Mike Brady, 
followed by Ryan Madden, and then George Povall. 
Mike, we're bringing you in now. 

MR. BRADY: Hi. Can you hear me?

MR. LOCASCIO: We can. 

MR. BRADY: Great. My name is 
Michael Brady, and I am a ratepayer for Kings Park. 
I'm also an attorney by profession, and I'm a 
volunteer with Long Island Progressive Coalition and 
Cooperation Long Island. 

I'm here to encourage the Board to 
end LIPA's relationship with PSE&G and to, instead, 
pursue full municipalization of the Long Island power 
grid.
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Other speakers tonight have and will continue to outline for you a variety of excellent reasons for municipalization, including enormous cost savings, operational efficiency and the overwhelming public support that has been expressed in virtually every recent meeting of this Board, as well as in the public hearing that was held in May.

Your own options analysis shows the overwhelming benefit of full municipalization. It is abundantly clear that this is the only way to go. Yet almost immediately after the hearing in May, this Board, perhaps with strong prodding from a certain governor, decided to pursue a different path and double-down with PSE&G, despite its abysmal performance. Well, that governor is gone now. So perhaps we can revisit things and pursue a rational course.

I'd like to take a different tact and try to convince you to change this course because entering this contract is a horrible business decision. As an attorney, I often tell my clients that a contract is only as good as the parties that are involved in the transaction. Is it my belief that PSE&G is not a good partner and cannot be
trusted. Why do I believe that? Because the LIPA
Board has repeatedly told me so. The Board has
accused PSE&G of being woefully unprepared for
Hurricane Isaias. The Board has repeatedly told us
that PSE&G is not meeting the benchmarks that were
set to ensure that systems upgrades were completed in
a timely manner so that such a disastrous storm
response never occurs again.

Why would you trust PSEG and reward
it with a new contract? While we're told that this
new contract is the best deal that LIPA has ever had,
and that includes large compensation penalties if
PSE&G fails us again. To that I say, so what?

I'm here to tell you that as
ratepayers, we don't want PSEG to reimburse our
money. We don't want them to be paid in the first
place. What we do want is for our money to go
towards a durable and reliable power grid. We want
accessible communications and updates in the event of
power outages. We want rapid and efficient
restoration of service, we want to pay electric fees
that are not among the highest in the country. We
want a utility that is agile and capable enough to
rapidly complete the critical transition to renewable
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energy that is mandated by the Climate Leadership and
Community Protection Act.

And as Margaret said, we don't want
our money going to shareholders, which has been
happening for far too long after we bailed out
LIPA -- I'm sorry -- LOCO so many years ago at a cost
that we're still paying today. What we demand is a
utility that is responsive and accountable to the
people. We demand public power. Thank you.

MR. LOCASCIO: Thank you, Mr. Brady.

Next up, we'll have Ryan Madden,
then George Povall, and then Timothy Karcich after
George.

Ryan, we're moving you in now.

MR. MADDEN: Can you hear me?

MR. LOCASCIO: We can.

MR. MADDEN: Wonderful. Good
evening, everyone, and lovely to see everyone again
this week.

My name is Ryan Madden, and I'm a
sustainability organizer with the Long Island
Progressive Coalition. We are a grassroots
community-based organization founded in 1979. We
advocate for structural change at the local, state

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and national levels to attain racial justice, build community wealth and realize a just transition to a 100 percent renewable energy future.

Beginning in November of 2020, the Long Island Progressive Coalition, Suffolk County and Nassau County chapters of DSA and Food & Water Watch came together to urge the Long Island Power Authority to terminate its contract with PSEG Long Island, municipalize and democratize in the aftermath of Tropical Storm Isaias, which resulted in 645,000 Long Island residents without power for an average more than two to seven days.

Over the past year, we have built a network of supporters through the Reimagine LIPA statements, consistently mobilized ratepayers to weigh in at monthly LIPA Board meetings, help forums on the benefits of public power with the first stakeholders and decision-makers creating tool kits for additional public action, worked with relevant elected officials to amplify those issues statewide and publish op-eds and letters to the editor in multiple media outlets.

And in light of all of this, the ground swell of community-elected and public support
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for the full municipalization of the Long Island
Power Authority, we are here to say that this new
contract does not fix the fundamentally flawed model
of our utility and that we need to municipalize. It
is impossible to comment on this reformed contract
without noting the structural issues surrounding
this.

We are also concerned, as was
raised earlier, that the contract is moving forward,
moving ahead before the Attorney General finishes her
investigation into whether PSE&G's failed Isaias
response broke state laws and before we know the
responsiveness of new storm outage management
computer system that PSEG has neglected to deliver
on.

We urge the LIPA board to delay
this vote and suspend this process until they have
more information on which to make a sound decision.

As was noted earlier, too, and
reflected by other speakers, is that decisions about
the future of the Long Island Power Authority and its
relationship to PSEG should belong with the
ratepayers of this region and the ratepayers of this
region alone.
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And former governor Andrew Cuomo only had his legacy in mind when he pushed LIPA and PSEG to renew terms earlier in July. He, in that decision, deliberately ignored Long Island ratepayers and elected officials and then, instead, exerted his influence on behalf of PSE&G.

As was mentioned in his resignation, this entire deal has been called into question, and we believe the onus is now on Governor Hochul to steer our course back towards public power. She must reject her predecessor's failed vision for our region and embrace the proven model for ensuring Long Island enjoys reliable, affordable and renewable power.

Regardless of the content of this new contract, the decision to move ahead and not commit to public power would be an insult to Long Island and Rockaway's communities, their election of responsibility to meet a democratic management of our system and a great mistake as the climate crisis worsens.

As we know, LIPA can save nearly $1 billion over the next decade through this process. So instead of bonuses to untenable managers and
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dividends to distant stockholders, we can see lower rates and improved services for customers.

It was communicated earlier this year during a New York State Senate budget hearing that LIPA had in its power the ability to municipalize on its own. Once a tentative agreement was struck in July, this assertion was walked back and pushed to Albany to decide.

While we will work with Albany to make necessary legislative changes, we ask that LIPA continue to flesh out option four and support the development of a road map to a fully municipalized system.

If the LIPA Board does move ahead with this contract, it must, at the very least, commit to not renewing after 2025 and begin working with community stakeholders right now to build a public power system we deserve.

LIPA must also heed the call to engage in more robust intentional community engagement and the conduct in utility operations. While these public comment sessions are appreciated and vital, they also feel somewhat insincere by their impact, maybe not by their intent.
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The public had less than 30 days to read a 300-page contract, digest it, develop comments on it and then deliver those comments. The majority of the turnout for these sessions is based on the work of community organizations like ours and not the efforts of the utility to seek input.

And as seen during the options analysis comment sessions, public input does not translate into utility response. It often feels that proposals put before us to comment on are decisions already made.

We need a democratic LIPA that is accountable to our region's communities, a LIPA that is led by those most impacted by decisions concerning our energy system. That includes ratepayers, workers, municipalities, community organizations, low income households and environmental justice communities.

We must ensure that those who use, pay for and work for the system have a say in how it runs. Despite the flawed model utilized in its conduct, LIPA is and probably claims to be a public power utility, and that must mean the operation management and policy-making of the electric utility
exclusively by the public for the public interest,
which can only be the case with ongoing and
meaningful engagements.

LIPA must heed the call for public
power, which only grows louder every day on Long
Island, throughout the state and across the country.
We cannot afford more delays, further delays, further
time, money and resources wasted on a utility model
that is structurally unreliable, unaccountable and
more expensive. None of this is addressed by the
proposal before us today and we deserve better.
Thank you for your time.

MR. LOCASCIO: Thank you for your
comments.

MR. FALCONE: I also do want to
acknowledge the tremendous amount of time that Ryan
has spent, and he's been at every LIPA Board meeting
and follows these affairs so closely. So I do
appreciate that.

MR. LOCASCIO: So George will be
next, followed by Timothy Karcich, and then
William Novello.

So, George, we are bringing you in
now. George, you're on mute.
MR. POVALL: Hey, everybody, it's George Povall from All Our Energy, executive director. All Our Energy is a Long Island energy and environmental protection nonprofit organization. And I want to thank you, Tom, and the Board for all of the work that you've put forth to improve our utility over the past 16 months in the push to move what was, for everyone involved, the obvious choice of public power.

It's not that this contract doesn't make an improvement. The problem is not just about the contract, more the contractor. It's the system of the public/private partnership. It just continues to leave Long Islanders vulnerable to storms in favor of profits and business interests above ratepayer interests and leaves us not ready for the future. That system just has to go.

We need a full public take of the PSEG Long Island operations to a municipal and accountable LIPA to gain greater grid security, cost reduction, resiliency, responsiveness and accountability. Any new contract merely just extends the current problems, risks our safety and delays the inevitable transition.

But we truly thank the past and
presently outgoing Board members for their service, which much of the Board to be new members early in the year, we do feel having them decide such an important matter and then leave in the coming weeks just diminishes the great work the Board has done, and it diminishes accountability that has been so missing from this entire process.

This regression back to unaccountability was dropped like a bomb on all of us by the disgraced former governor. And for better or for worse, this allows his outgoing appointees to approve his backroom deal and walk away and, likewise, will allow any new Board members simply to point to the past Board, leaving the rest of us vulnerable for this accountability that will be missing.

Additionally, those contract on paper allows for more metrics for accountability. Will the Board actually go out of their way to fully enforce it, when we will be faced with the same question then, which is who will control our grid if an unhappy contractor holds all the power and stands between us and our grid?

The provision for nearly a year's
severance as well in management fees, for failure on such a short-term contract still leaves us in diminishing returns. That might be a bonus for them to even get fired at some point. The proof of this is -- is this being a possible outcome is PSEG Long Island testifying to New York State Assembly a month after this contract was announced that everything was under control and not going to be a problem. And then just a few days later, with Hurricane Henri coming up the coast, we were told to prepare for 10 to 14 days without power.

Wait, what? Anyway, notwithstanding that, there is still no guarantee that they are going to be a willing and cooperative participant in any transition away from them ever, and I see little difference whether it happens sooner or later. They have done much to prove that they will not act in a way that benefits us as is shown by their publicly attested inaccuracies and untruths which has just mounted past the breaking point. We cannot allow them to continue to hold our power over us. We need to take it back.

This resolution to the ongoing problems, though, exemplifies why we believe that the
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LIPA Board and, ultimately, Governor Hochul have a responsibility to steer our course forward towards public power. Thank you all so much.

MR. LOCASCIO: Thank you, George.

Timothy Karcich, you're up next, followed by William Novello, and then Jennifer Greene.

MR. KARCICH: Good afternoon, everyone. Mic check. Everyone can hear me, right? Cool. Good evening, everybody. I live in Centereach. My name is Tim, and I'm an organizer with the Suffolk County Democratic Socialists of America.

This reformed contract with PSEG is a half measure when LIPA needs to use a full measure. The contract needs to be terminated, the failed public/private partnership model needs to go, and LIPA needs to be fully democratized. A short leash on PSEG doesn't mean much when public power is a better deal for Long Island. Maybe there's a $60 million fine, like you said, Mr. Falcone, but LIPA's own analysis says it would save nearly a billion dollars over the next decade if the PSEG contract was terminated in favor of full municipalization.
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The only reason the contract was agreed upon in the first place is former Governor Cuomo. So why should we settle for this exactly? Long Island can make such a powerful statement by severing ties with wasteful and inefficient management of PSEG and signing with the people it serves, the stakeholders and ratepayers.

And climate change is, unfortunately, here to stay. We can expect some storms in the future to be worse than tropical storms that we've witnessed in the past. Personally, I want us to be prepared in the best way we can. Not by having a private management service provider, but a publicly-owned-and-operated utility which, of course, already service about 15 percent of Americans, are 13 percent cheaper and have 46 percent fewer power outages.

The benefits of public power check all the boxes. The choice is easy: Terminate the contractor with PSEG, and let's democratize our power system. Thank you.

MR. LOCASCIO: Thank you, Timothy. William Novello will be up next, followed by Paul Merkelson.
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And I will note that there were some folks that had their hand up and then put them down. If there are people that would like to speak on this matter, I would ask you please raise your hand.

So, William Novello, we are going to move you in now.

MR. NOVELLO: Can you hear me?

MR. LOCASCIO: We can.

MR. NOVELLO: Thank you. My name is William Novello. I'm a member of the Nassau County chapter of the Democratic Socialists of America.

And you know, when I came here tonight, there were a few words that I had when I thought of PSE&G. One was albatross; the other one was parasite. And neither one was changed by the presentation presented this evening by LIPA. There was absolutely nothing in that presentation that demonstrated that PSE&G's performance in their time contracted out by LIPA has done anything to benefit really Long Island and has done nothing but cost taxpayers much and bring harm to the people in our communities. Excuse me.

The relationship here seems to be
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that LIPA seems to be meaning to pay more and create
more and more metrics in order to oversight PSEG for
the work that they're supposed to be doing on their
own, creating more costs for a middle management
relationship that seems to be quite more contractual
and, quite frankly, abusive for the people of Long
Island who are clearly having this thrusted upon
them.

Because I would say that there are
very few people from the ordinary public who are
actually here to give public testimony. Many of us
here are privileged to be here this evening and,
quite frankly, yeah, having less than two months to
provide public testimony on it is very disingenuous
on your part, to push forward such a contract on
people.

So it seems to me that there seems
to be very little to be done here and this seems to
be a decision that is going to be pushed down, no
matter what happens after December 9th.

So I just wanted to express that,
clearly, municipalization would be the best course of
action that PSE&G needs to be eliminated as a working
partner with LIPA as soon as possible. And if that
is not the case and if LIPA refuses to do that, then
it is up to the public and to the state government to
thrust a decision to change that. And that's where
I'm at.

Thank you and have a good evening.

MR. LOCASCIO: Thank you, William.

Next up will be Paul Merkelson, followed by Jeremy
Joseph, and then Jennifer Greene.

Paul, you're on mute.

MR. MERKELSON: Okay. Thank you,
then. My name is Paul Merkelson. I'm on the steering
committee of Transition Town Port Washington. We're a
local community group on the Port Washington peninsula
where our mission is to make our community safe,
secure, sustainable and resilient in the face of
climate change.

And, clearly, this issue is, you
know, dear to our mission of accomplishing those
objectives. So we're really urging LIPA not to make
a rush to judgment. Please let the attorney general
finish our investigation, delay your vote until all
the information is in. I believe, I hope that the
time of this public session is to allow you to hear
and gain enough support from the public to do that
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and to move down a more responsible path. Securing
(technical difficulties) affordable power is too
important to be subject to private profit.

I was -- you know, I was struck, as
Eric Weldman was, by the phrase "duty of candor" and
I just have to say that I've spent over 40 years in
the private sector managing large management and
capital projects. And a lot -- all over the world,
and never have I come across that phrase. Now, I
understand in the public sector that there are
regulations and there are different things that
affect contracts. But I've also worked in highly
regulated industries and highly regulated
environments and that phrase to me is an exclusionary
phrase. It just indicates that there's no level of
trust, and you've indicated that yourselves in the
past dealings.

This is not an organization, PSE&G,
that's forthcoming and honest and trustworthy and
they need to be eliminated on that basis, if not poor
performance.

So it also speaks -- if that was in
prior contracts, it speaks to the bankruptcy of
model, the private/public partnerships. And, again,
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municipalization has a much better track record in
terms of performance and course delivery.

    So, again, it's just -- I feel for
you because you have to be shaking your heads off
screen and saying, yeah, we know this, we know this,
we know this. But you obviously have a lot of other
things to, you know, to navigate in terms of your
decision-making, but the public voice has to be an
important part of that. So, you know, as I said,
public power is not new. It works. It's something
whose time has come. It's too important to put
profit over public safety.

    Now, I just want to say on a
personal note that in the park section of Port
Washington where I lived during Ida, three of my
neighbors, their basements completely flooded. Now,
I'm bringing that up not to say that -- you know,
that's a direct result of PSE&G's mismanagement or
that they all lost power. But it indicates the
severity of the climate events that we're facing.

    These black swans or 100-year
events that you're talking about, they are totally
unprepared to deal with that. We need a totally
different model that can handle events that cannot be
foreseen. Because every year, in every community you see this. These are not things we read in papers, these are things that people are experiencing and people feel threatened. This is not just about their rate; it's about their lives, their security. Even if they don't drown in their basements as other people have done in the region, they're at risk of living in homes that have mold and have other health and safety results as a result of climate events. Living in and occupying a home that has gone without power for any substantial length of time also prevents those risks. So these are things that are effecting people's safety, security and lives.

And I just want to leave it at that because I think that the personal element is very important. You have safety of people and their livelihood in your hands. Please make the responsible decisions. Thank you.

MR. LOCASCIO: Thank you, Paul.

Next up will be Jeremy Joseph, followed by Jennifer Greene, and then Amber Ruther.

Again, a reminder, if you are on and would like to comment, you do need to raise your hand to do so.
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Jeremy, you're being brought in now.

MR. JOSEPH: All right, hi.

So I guess my guiding principle for this is pretty simple: Utilities are a service to the public, and they should be publicly owned. In contrast, investors in private corporations like PSEG have one motive: That's making profit. You can cannot provide an essential service to people while operating under a profit motive. These things are fundamentally opposed. A public utility should be accountable. Rather, it is accountable to the people it serves. Whereas, a privately operated utility only answers to it's shareholders.

If PSEG were completely competent in its current role, hypothetically speaking, they would still fundamentally not be able to serve the needs of our communities. One of the greatest needs, if not the greatest, is to transform our energy system into one that is environmentally sustainable. No one should trust a private corporation to drive these critical changes. They are only interested in these changes as long as it is profitable for them. I'm not willing to leave our environmental fate in
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the hands of shareholders.

Now, as it stands, PSEG has not shown themselves to be a competent partner. They have a long history that falls well short of our expectations, and they have not even provided adequate service under our current agreements. So why are we extending more grace to a relationship that shouldn't exist in the first place?

So I know tonight, and even over the how many months this process has gone on, you've heard from private citizens, from advocacy groups, you've heard from politicians like Legislator Fleming who are very connected to this sort of issue. And they overwhelmingly oppose continuing this relationship with PSEG. The only people I've heard speaking in favor of this contract are those who directly benefit from this con -- this relationship, rather.

I don't really see any ambiguity in these discussions. All community stakeholders would benefit from a full municipalization of our power grid. And this relationship with PSEG should end.

Thank you.

MR. LOCASCIO: Thank you, Jeremy.
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Jennifer Greene, and then

Amber Ruther, and then Billii Roberti.

And I would remind everyone, if you
do have an interest in speaking tonight, raise your
hand. There is a button on the bottom of the screen
on Zoom. Someone had suggested that we point that
out in case there’s some confusion.

So, Jennifer, we’re bringing you in
now.

MS. GREENE: Thank you. Sound
check. Can I be heard?

MR. LOCASCIO: We can hear you.

MS. GREENE: Great. Hello and thank
you all for the opportunity to speak. Let me turn on
my camera. There we go.

This is my first time at a LIPA
public hearing, and I will be brief. I am a
long-time ratepayer in Bellport. I'm also a member
of Suffolk County Democratic Socialists of America,
and I'm the daughter of an energy economist who
studied utilities, among other things. If he were
alive today, I know he would be here speaking to you
too. So I'm here tonight to add my voice to the many
who are calling for full municipalization of Long
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Island's power. Third-party management isn't what we need. Publicly owned utilities are better on numerous counts.

And when I learned that the former governor may have exerted undue influence, undemocratic interferences, I was disturbed. We deserve better. I and so many others don't want to see you vote in favor of this contract. We want LIPA to commit to public power. Thank you.

MR. LOCASCIO: Thank you, Jennifer. Amber Ruther will be next, and then followed by Billii Roberti.

MS. RUTHER: Hello. My name is Amber Ruther, and I'm with Alliance for a Green Economy, which is a member of the Statewide Public Power New York Coalition, as well as a intervener in utility rate cases around the state. And I'm here to ask for an end to LIPA's contract with PSEG in favor of fully public power that is democratically controlled.

For now, I urge the LIPA Board to delay the vote on this process and fully commit to developing a roadmap for public power. We will also be working on developing legislation to implement
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public power with the Reimage LIPA Coalition, since legislation is clearly needed at this point.

This new contract with PSEG, while making minor reforms, does nothing to address the root of the issue with their poor performance, but their for-profit monopoly who profit for providing an essential service. Because of this, no matter how much we try to micromanage them with complex incentives, which essentially amounts to doing the job for them, and no matter how exhaustively we spell out their responsibilities in the contract, they will always have an incentive to prioritize their profits over workers, ratepayers and the environment. They will always have an incentive to find loopholes, to lie and misreport metrics, to do the bare minimum in terms of service, to defer basic grid maintenance and to operate with a skeleton crew of workers who are then unable to restore power quickly during climate disasters such as Tropical Storm Isaias.

I'm an intervener in utility rate cases around New York, and I've seen the ways in which complex performance metrics such as earning adjustment mechanisms have largely failed to address performance issues and have only led to increased
rates for ratepayers at a time when over a million
New Yorkers already can't afford their utility bills.

There's also no true way to hold
PSEG accountable to the people they ostensibly serve.
While the DPS may fine them for poor performance,
they are unable to fine them an amount that would
severely impact shareholders' profits because then
PSEG's cost of capital would go up, harming
ratepayers, and they may even become unable to raise
the capital, but they need to function.

A basic human need that (technical
difficulties) national monopoly should never be left
up to a for-profit company, and Long Islanders have
been alarmed by the impact of failed public/private
partnerships for far too long.

We've seen the worst-case scenario
of what can happen in places like Texas, where the
energy people need to survive is treated as a
commodity to profit from instead of as a human right.
There's a reason that PSEG has poor risk management.
It's because they know the biggest risks of their
utility operation -- the risks of climate change, the
risks of safety issue for workers and the risk of
blackout that will force people to miss work, lose
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food and medication or even freeze to death -- will fall on the backs of Long Islanders, not on shareholders. In any private monopoly, risks and costs are socialized and profits are privatized. PSEG is the only utility in the country that operates with a public/private partnership model. And there's a reason for that. It doesn't work.

In the words of Assembly Member Doug Smith, we have a Frankenstein monster of utilities. It's the worst of both worlds. LIPA is unaccountable to the people, and we have a monopoly with PSEG, which under the current structure is guaranteed to make a profit while utilizing LIPA's nonprofit status.

And to whoever (indecipherable) of the options analysis, which clearly showed that a fully public system was, by far, the best option for ratepayers and that the public hearings where around 90 percent of the testimony, was in favor of public power, was essentially ignored and overruled by a backroom deal made by a disgraced former governor Andrew Cuomo.

We believe the onus is now on Governor Hochul to steer our course back towards
public power. She must reject her predecessor's failed vision and embrace approving the model for ensuring Long Island has reliable, affordable and renewable power. Why should Long Island ratepayers be forced to pay 65 to 75 million dollars more per year for a public/private partnership that continually fails them?

The U.S. already has 2,000 fully public utilities or electric co-ops. And we know they work; we don't need to guess. On average, they're 13 percent more affordable and have half the average outage duration times of private utilities.

Public utilities also have more freedom to innovate. Many have expanded renewable energy and electric heat pumps more quickly than private utilities.

And Chattanooga's electric power board was the first to invest in fiber optics, laying the ground work for a world-class smart grid and reduced power outages by 60 percent and saved the city close to $60 million annually.

We know public ownership in and of itself is not a panacea. We also need robust democratic government mechanisms to insure that the
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interest of workers, ratepayers, reliability and the
environment are balanced. That's why I also support
the proposal to add an observatory and an elected
LIPA Board that will foster public engagement.

People are tired of spending hours
at jammed public hearings where they have no real
voice or influence.

This Board has a choice to make;
vote in favor of the contract and betray LIPA's
ratepayers or cut ties with PSEG and commit to fully
public power on Long Island. I urge you to do the
latter. Thank you.

MR. LOCASCIO: Thank you, Amber.

Next up is Billii Roberti. At this
point, following Billii, there are no other members
of the public that currently have their hand raised.
So I would encourage anyone that is here that has not
yet spoken that would like to, please raise your hand
now.

We're going to bring Billii in
right now.

MS. ROBERTI: Good evening. My name
is Billii Roberti. I'm a member of Mothers Out Front,
and have been a homeowner in Huntington Station for 25
years. I have lived through LIPA Keyspan, LIPA National Grid and LIPA PSEG; and I can tell you the public/private model does not work. How many times does the model have to fail before we reject it in favor of the fully public LIPA?

Yes, this contract is better than the previous one, but a less-flawed contract cannot fix a totally flawed model. I will not belabor what has gone wrong, others have already done that. What I will do is share my vision of what we need from an electric utility and what LIPA can be. If the cheapest route is the one we don't use, then the cheapest private partner is none.

LIPA can do better as a municipal utility, but how we redesign LIPA is key. That is why I'm part of the Reimagine LIPA Coalition. We are calling on Governor Hochul to support us in pursuing a path to innovative fully public utility model for LIPA electric ratepayers. I believe that with the legislation being prepared with the help of the Reimagine LIPA Coalition, we can have a LIPA that will become all we need it to be.

We need a customer-focused utility that is accountable, reliable, transparent and
equitable with more public input and better
leadership in decarbonizing our buildings. We need a
LIPA that answers to its customers. We need
leadership focused on moving aggressively towards
electrification and the greening of our grid. Our
future lies in electrification; and for that, it
needs to be reliable and renewable. We need to
revise the rate structure and make it totally
transparent. And as it stands now, delivery and
service charges are skewed lower for fossil fuel
users and higher for all-electric homes.

As the state moves into
electrifying all businesses -- all buildings, we must
have a rate structure that charges customers for what
it actually costs to deliver service. This should be
the same for me and my neighbors, but I pay more
because I heat with an electric heat pump. Volume
metric consumption costs would be recovered via
charge straight from the delivery charge.

Your current rate plan for 2022
creates a "solar tax" for new solar adopters. If
instead of the basic service charge, a per day rate
included all the costs associated with the operation
and maintenance of the electric grid, including the
cost of debt service and the transition to renewables, not the amount of kilowatt hours consumed, it would create a level playing field for all.

After all, those with net-metered solar systems, like me, utilize the grid, too, and should pay for its upkeep. As it is, those who make this transition early, like me, are being penalized by the system charges, while those who remain on fossil fuels are unintentionally incentivized to stay on them. This works against the goals of the Climate Leadership and Community Protection Act and LIPA. Because LIPA will benefit from the increased consumption and electrification advances.

I trust as we move into the future, both municipalization and the new rate structure will be instituted for the betterment of our children and their children. Thank you.

MR. LOCASCIO: Thank you, Billii.
We did have one additional hand raised, Christian Araos, who we are going to bring in right now.

MR. ARAOS: There we go. Hi. Mic check. Cool. Good evening. My name is
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Christian Araos, and I am the co-chair of Suffolk County's DSA's (technical difficulties) working group. Suffolk County DSA is a full partner in the Public Power New York Coalition and the Reimagine LIPA campaign.

The LIPA Board members' own findings after Tropical Storm Isaias are enough to disqualify PSEG from handling our electric grid. Yet, the LIPA Board is poised to hand it right back to the company that failed to take care of it. Further, the Board determined that ratepayers can save nearly a billion dollars over the next decade if they terminated the contract with PSEG. They, therefore, have the responsibility to explain why that money will be going to management fees and not improving our infrastructure.

The reforms listed in the terms of the contract are positive, but we have no confidence that they will be fully implemented. PSEG has continued to lie and slow-roll its promised improvements after Isaias, and we are still left in the lurch.

Tonight is the only say we LIPA ratepayers will have in the decision. When we spoke
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last summer, we were nearly unanimous in asking LIPA to commit to full municipalization. Yet you, members of the LIPA Board, ignored us. When Governor Cuomo called, however, you listened. Officially, Cuomo is no longer in charge, yet this contract has his fingerprints all over it. Now with less than a month until your terms expire, you're carrying out the disgraced governor's commands without second thought.

Fortunately, when we do municipalize, we will end the days of appointed Boards that ignore the people, and we will democratize LIPA's Board. And then it will be clear that if anyone wants to take leadership of our electric grid, they will have to listen to LIPA ratepayers, not political leaders. Thank you.

MR. LOCASCIO: Thank you, Christian.

Okay. At this time, we have no one else lined up in the queue to speak. One last opportunity for anyone that may have missed the "raise hand" function in Zoom.

Okay. Being none, Tom, I will turn it back over to you to close.

MR. FALCONE: I just want to thank everybody for spending your evening or a good portion
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of it with us talking about electricity. As I started
off with, you're my kind of crowd that you want to
spend your evening talking about electricity. When I
go home, my wife doesn't have the same level of
interest that I get here; so I really appreciate it.
And I thank you for contributing to our public
dialogue.

We will be conveying this material
on our website, we will also be accepting additional
public comment at our December 15th meeting and in
writing. So if you know anyone that wants to
contribute that wasn't able to make it tonight, we
have a couple of more opportunities.

But with that, I really appreciate
everybody coming out. Your thoughts are important.
I especially want to acknowledge many of you that
have been consistently interested, reading reports,
showing up at Board meetings, contributing to the
public dialogue for a very long period of time. And
you are heard.

So with that, thank you very much,
and I look forward to continuing our conversation.

(Whereupon, at 7:40 p.m., the
above matter concluded.)

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CERTIFICATE

STATE OF NEW YORK )
COUNTY OF RICHMOND )

I, MADELINE TAVANI, a Notary Public for
and within the State of New York, do hereby
certify:

That the above is a correct
transcription of my stenographic notes.

I further certify that I am not related
to any of the parties to this action by
blood or by marriage and that I am in no way
interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set
my hand this 3rd day of December, 2021.


MADELINE TAVANI