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LONG ISLAND POWER AUTHORITY

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VIRTUAL ZOOM

TARIFF PUBLIC COMMENT SESSION

-----X

December 2, 2021

6:00 P.M.

B e f o r e :

TOM LOCASCIO

Director of External Affairs

LIPA

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**A P P E A R A N C E S :**

Tom Falcone  
Chief Executive Officer ..... 5

|    | <u>SPEAKER INDEX</u>               |             |
|----|------------------------------------|-------------|
|    | <u>SPEAKER</u>                     | <u>PAGE</u> |
| 2  |                                    |             |
| 3  |                                    |             |
| 4  | Bridget Fleming                    |             |
| 5  | Suffolk County Legislator .....    | 23          |
| 6  | Kasey Scheid                       |             |
| 7  | IBEW Local 1049 .....              | 29          |
| 8  | Fred Harrison                      |             |
| 9  | .....                              | 31          |
| 10 | Antonio Cruz                       |             |
| 11 | .....                              | 35          |
| 12 | Charles Nieves                     |             |
| 13 | Democratic Socialists of America . | 38          |
| 14 | Eric Weldman                       |             |
| 15 | Food & Water Watch .....           | 39          |
| 16 | Margaret Maher                     |             |
| 17 | Food & Water Watch .....           | 42          |
| 18 | Laura McKellar                     |             |
| 19 | .....                              | 44          |
| 20 | Mike Brady                         |             |
| 21 | .....                              | 47          |
| 22 | Ryan Madden                        |             |
| 23 | Long Island Progressive Coalition  | 50          |
| 24 | George Povall                      |             |
| 25 | All Our Energy .....               | 56          |

|    | <u>SPEAKER INDEX</u>                |             |
|----|-------------------------------------|-------------|
|    | <u>SPEAKER</u>                      | <u>PAGE</u> |
| 2  |                                     |             |
| 3  |                                     |             |
| 4  | Timothy Karcich                     |             |
| 5  | Democratic Socialists of America .  | 61          |
| 6  | William Novello                     |             |
| 7  | Democratic Socialists of America .  | 63          |
| 8  | Paul Merkelson                      |             |
| 9  | Transition Town Port Washington ..  | 65          |
| 10 | Jeremy Joseph                       |             |
| 11 | .....                               | 67          |
| 12 | Jennifer Greene                     |             |
| 13 | Democractic Socialists of America . | 71          |
| 14 | Amber Ruther                        |             |
| 15 | Alliance for a Green Econmoy .....  | 72          |
| 16 | Billii Roberti                      |             |
| 17 | Mothers Out Front .....             | 77          |
| 18 | Christian Araos                     |             |
| 19 | Democratic Socialists of America .. | 80          |
| 20 |                                     |             |
| 21 |                                     |             |
| 22 |                                     |             |
| 23 |                                     |             |
| 24 |                                     |             |
| 25 |                                     |             |

1 LIPA HEARING 12-2-2021

2 MR. LOCASCIO: My name is  
3 Tom Locascio. I'd like to welcome you to our December  
4 2nd public comment session on the reform management  
5 contract with PSEG Long Island.

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

12 Tom?

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

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

21 The comments, as Tom Locascio  
22 mentioned, are recorded. They will be put online.  
23 You will be able to look at the webinar on LIPA's  
24 website. And a summary of the comments will also be  
25 provided to the LIPA Board at its December 15th

1 LIPA HEARING 12-2-2021

2 meeting for their consideration. This is one of a  
3 series of public events, and we are also accepting  
4 written comments on the reform contract.

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

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

11 So what brought us here tonight?  
12 It's been a rather long journey, a long odyssey, and  
13 it all started, as you may recall, on August 4th of  
14 2020. That was Tropical Storm Isaias, and it was a  
15 big storm. It was very damaging to the electric grid  
16 on Long Island. Measured by the damage to the grid,  
17 it was one of our top five storms to hit the Long  
18 Island electric grid. It caused about 645,000  
19 customer outages, and it took about eight days to  
20 restore.

21 We're not here, though, because of  
22 645,000 outages. We're here because the restoration  
23 did not go well. If it had, we understand and know  
24 that we live on an island and, occasionally, we're  
25 going to be effected by big storms. It doesn't make

LIPA HEARING 12-2-2021

1  
2 it something that we strive for. In fact, we strive  
3 to minimize that dislocation; but, occasionally,  
4 there will be big storms and there will be damages to  
5 the electric grid, and it will take time to restore.  
6 But you have a right to expect good information and  
7 quick and efficient restoration and to be able to get  
8 in touch with your local electric utility. These are  
9 all reasonable expectations, and you have a right to  
10 expect that. And this storm didn't meet that  
11 criteria. In fact, all of our major IT systems  
12 failed, and these are systems that you, our  
13 customers, had invested a lot of money in.

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

20 The Department of Public Service,  
21 which is the staff arm of the State Public Service  
22 Commission, the regulatory commission, also opened an  
23 investigation. Those opened on August 5th. And  
24 LIPA, at the request of its Board, issued a 30-day  
25 report with our initial findings in September. That

## LIPA HEARING 12-2-2021

1  
2 initial report focused on the failure of the IT  
3 systems. There were proximate causes and immediate  
4 fixes that needed to be done to stabilize the  
5 systems.

6 If you go to the next page.

7 Then the Board also requested a  
8 90-day report. By the time of that 90-day report, we  
9 had looked not just at the proximate causes, but the  
10 underlying root causes of what failed and concluded  
11 that they were management issues. And in deciding  
12 that they were management issues and that LIPA pays a  
13 lot of money for management services, the Board of  
14 Trustees, as well as the Department of Public  
15 Service, voted and asked LIPA staff to either  
16 terminate our relationship with PSEG or renegotiate  
17 it on acceptable terms.

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

22 That decision to either terminate  
23 or renegotiate the contract lead to an initial view,  
24 once again at the LIPA's Board request, to hear and  
25 present publicly what our alternatives were. We



LIPA HEARING 12-2-2021

1  
2 delivered that report in December, which was a  
3 complete report but a quick one. The Board asked us,  
4 pursuant to that report and its findings, to proceed  
5 with discussions with PSEG and simultaneously also  
6 evaluate our other alternatives. Those alternatives  
7 included privatization of the utility or a public  
8 utility, publicly-owned or a renegotiated contract  
9 with PSEG or a contract with somebody else as our  
10 management service provider or LIPA management.

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

16 If you go to the next page.

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

24 In June, by late June, we had  
25 reached a tentative settlement agreement with PSEG

1 LIPA HEARING 12-2-2021

2 Long Island that met the eight reform objectives that  
3 the Board had set out. In that tentative agreement,  
4 we presented those terms publicly to the Board and  
5 that was a settlement, but it was a term sheet. It  
6 wasn't the final contract language.

7 If you go to the next page.

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

13 If you go to the next page.

14 And it took until November 9th to  
15 reach an actual settlement agreement, a proposed  
16 settlement agreement, the final terms, and we made  
17 that more-than-100-page agreement available on our  
18 website. In addition to making that 100-page  
19 agreement available on our website, we also posted  
20 2022 performance metrics that would be under this  
21 agreement. And I'll talk more about those in a  
22 minute.

23 You see on the right those eight  
24 items that we detailed and then an options analysis.  
25 And I'll spend a minute talking about each of those

LIPA HEARING 12-2-2021

1  
2 eight elements, the things that were requisite for us  
3 to continue a relationship with PSEG. The Board  
4 instructed us to not come back without addressing at  
5 least these eight things.

6 If you go the next page.

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

9 But objective one, a greater share  
10 of PSEG's management compensation had to be at risk.  
11 We pay approximately \$80 million a year and under our  
12 old contract, only 10 million of that was at risk,  
13 compensation for performance. Under the new  
14 contract, proposed new contract, 40 million or  
15 51 percent of the contract fees would be at risk.

16 Number two, the Board said that  
17 there have to be a new way of gauging performance.  
18 Under the old contract, the performance measures that  
19 that \$10 million were determined by were set in 2013,  
20 and it required mutual agreement to update. I think  
21 that the contract was well-intended. However, as  
22 time marched on, those measures became somewhat stale  
23 and reaching neutral agreement update to stronger,  
24 more strict performance measures that also accounted  
25 for all the variety of services PSEG provides to LIPA

1 LIPA HEARING 12-2-2021

2 and its customers became challenging.

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

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

14 If you go to the next page.

15 It wasn't -- it was not just  
16 sufficient that we have incentives. We also have to  
17 have penalties or failure to achieve minimum levels  
18 of performance and under the contract, 10 to  
19 \$20 million is at risk for exceeding budgets. 5 to  
20 10 million is at risk for failures to implement the  
21 emergency response plan that the LIPA Board and the  
22 Department of Public Service approved each year that  
23 PSEG is supposed to execute in the event of outages.  
24 This is about a thousand-page document. You can see  
25 it on our website.

1 LIPA HEARING 12-2-2021

2 If reliability, the average minutes  
3 a customer is out of power, fall below minimum  
4 standards, there's a ten million automatic penalty in  
5 the contract, customer satisfaction and three million  
6 penalty; and if there are two consecutive failures,  
7 we have the right to terminate the contract. I  
8 should mention failures to implement the emergency  
9 response plan for a 72-hour-or-more storm also give  
10 us a right to terminate the contract.

11 Violations of the emergency  
12 response plan or failure to provide safe and adequate  
13 service, subject to an investigation, another 20  
14 million. So in total, 10 million is at risk, based  
15 on a calculation of failures to meet a minimum level  
16 on the emergency response, and we can terminate. An  
17 additional 20 million, so 30 million in total, if an  
18 investigation finds other violations of the emergency  
19 response plan in the event of a major outage.  
20 Failure to implement minimum protocols for cyber  
21 security, also an event of failure or an event of  
22 default for which we can terminate.

23 The contract term has also been  
24 shortened, and the importance of this is that the old  
25 contract had a -- gave to PSEG, essentially, a right

LIPA HEARING 12-2-2021

1  
2 of renewal at their option for an additional eight  
3 years. So while the contract term extended to 2025  
4 with that right of renewal, the contract could extend  
5 all the way to 2033. We eliminated that option of  
6 PSEG to automatically extend the contract at their  
7 right. And if we agree to extend the contract, it  
8 will be based on the performance over the next four  
9 years, and that will be a future decision of the LIPA  
10 Board based on how the contract goes.

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

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

1 LIPA HEARING 12-2-2021

2 provides a right to terminate the contract early.

3 If you go to the next page.

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

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

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

20 If you go to the next page, those  
21 describe the contract terms. But let's come back to  
22 what we're trying to achieve. We're not just trying  
23 to achieve a better contract. The real ultimate goal  
24 is to provide great service to our customers.  
25 Service that you should be proud of; clean, reliable,

1 LIPA HEARING 12-2-2021

2 resilient service at affordable prices.

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

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

16 If you go to the next page.

17 I mentioned there's \$20 million at  
18 risk for meeting these performance standards and  
19 there's another 20 million at risk for failures to  
20 provide safe and adequate service, basically subject  
21 to an investigation.

22 To talk a little bit about these  
23 performance standards, because they are a key part of  
24 the contract on the next page, what you can see is  
25 that they cover all the types of services that PSEG



1 LIPA HEARING 12-2-2021

2 management, or PSEG's managing, too, to provide  
3 services to LIPA and its customers. So reliability,  
4 resilience, risk management, customer satisfaction  
5 external affairs, IT operations, major projects. And  
6 they cover all the scopes: Information technology,  
7 customer service, T and D, business services, power  
8 supply and clean energy.

9 You can read all the details on our  
10 website if you click on that link or go to  
11 "[LIpower.com/reformcontract](http://LIpower.com/reformcontract)".

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

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

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

22 Why should you care about asset  
23 management?

24 Well, the utility business is a  
25 very asset-intensive business; all those poles and

LIPA HEARING 12-2-2021

1  
2 wires and substations. And they all have to be  
3 maintained reliably. And not just reliably, we have  
4 to collect the right data, we have to maintain them  
5 in -- on the right schedule, we have to use the data  
6 that's available to us. Doing all these things  
7 increases reliability and reduces cost.

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

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

23                   Reliability. There are many  
24 standards and the 2022 metrics that you can read  
25 about. Just to highlight it: PSEG has to fall

LIPA HEARING 12-2-2021

1  
2 within the top ten percent of utilities for  
3 reliability on blue sky days. They have to reduce  
4 the number of customers that have four or more  
5 outages a year by 22 percent next year. They have to  
6 reduce the numbers that have flicker outages by more  
7 than 13 percent and reduce customers with 6 or more  
8 flicker outages by 20 percent. These are all good  
9 reliability measures.

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

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

25 They have to expand our low income

LIPA HEARING 12-2-2021

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

LIPA HEARING 12-2-2021

1  
2 rates that perhaps better meet your needs or save you  
3 money.

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

14 Go to the next page.

15 So the importance of all this is  
16 that this is not a second chance for PSEG that's  
17 based in hope. This is a second chance based on  
18 binding contractual commitments with incentives with  
19 a stronger local management structure that we believe  
20 fundamentally address the core issues out of Tropical  
21 Storm Isaias. We're putting this in front of our  
22 citizens here on Long Island, our customers, our  
23 stakeholders and ultimately our Board. And what  
24 we're here to do is listen to you and what you think  
25 about this.

1 LIPA HEARING 12-2-2021

2 Our timeline for public review  
3 includes a -- having released the contract on our  
4 website, which you can download if you have not  
5 already, starting on November 9th. Our November 17th  
6 meeting where we've heard from some members of the  
7 public, and we also discussed in detail the contract  
8 and the performance standards. These public comment  
9 hearings, as well as the ability to submit written  
10 comments, held tonight will be accepting written  
11 comments through December 9th, and then we will be  
12 presenting the -- the views of our stakeholders to  
13 the Board on December 15th, and they may consider the  
14 PSEG contract on that date as well, along with  
15 metrics and budgets further that you can find right  
16 on our website.

17 So if you go to the next page.

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

1 LIPA HEARING 12-2-2021

2 the last 15 months.

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

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

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

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

22 MR. LOCASCIO: Thank you, Tom.

23 So this will begin the public  
24 comment portion of our meeting tonight. At this  
25 point, I would ask anyone that's in the attendee log

1 LIPA HEARING 12-2-2021

2 to please raise your hand if you would like to speak.

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

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

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

14 Hi, Legislator, good to see you  
15 again.

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

21 Suffolk County -- I am Suffolk  
22 County Legislator Bridget Fleming. I serve as the  
23 vice chair of Public -- Public Works Transportation  
24 and Energy Committee. And I am the chair of the  
25 Community Choice Aggregation Task Force and the



1 LIPA HEARING 12-2-2021

2 Renewable Energy Task Force at the legislature and  
3 the chair of the Ways and Means Committee.

4 Suffolk County is a major customer  
5 of the utility. Our electric bill has run as high as  
6 \$20 million in recent years. On June 8th, noting  
7 with alarm that prolonged power outages and a  
8 breakdown of the system used to communicate with the  
9 public after Tropical Depression Isaias caused  
10 widespread hardship and tried the patience of Long  
11 Island Electric customers, the Suffolk County  
12 legislature wrote to LIPA Board of Trustees  
13 unambiguously urging that full consideration be given  
14 to the analysis of alternative options to the current  
15 third-party management system.

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

24 On November 10th, in fact,  
25 Senator Gaughran and Assemblyman Thiele urged the

## LIPA HEARING 12-2-2021

1  
2 Board to delay voting on the contract and to suspend  
3 the process until the current investigation by the  
4 attorney general is complete in her investigation as  
5 to whether the failed response to Isaias actually  
6 violated state law.

7 535,000 customers were left without  
8 power and without any effective communication about  
9 when the lights would go back on, some for as long as  
10 ten days. The public needs additional time to review  
11 this contract.

12 Work is underway by legislators to  
13 take a hard look at the alternative option of a fully  
14 public utility. With some of the highest rates in  
15 the nation and with another rate hike proposed in the  
16 2022 budget and more than 90 percent reliance on  
17 fossil fuel resources, it's high time that we pause  
18 before obligating ratepayers to another four years  
19 with a partner who has failed in so many ways, has  
20 not been fully forthcoming throughout this process  
21 and is still missing milestones with revamping the  
22 outage management system.

23 I note, Tom, that you mentioned  
24 that -- that this all began on August the 4th. I  
25 want to disagree with you on that. I think the

1 LIPA HEARING 12-2-2021

2 failures at -- following the storm, Isaias, in fact,  
3 gave us the opportunity to take a hard look at a  
4 failed third-party management system.

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

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

24 The urgency for fresh thinking that  
25 was presented to us on August the 4th, that the

LIPA HEARING 12-2-2021

1  
2 hardships that our ratepayers suffered in August  
3 needs to be capitalized on before we move forward  
4 with a contract with a failed partner. I urge you to  
5 return to the public options analysis, delay entering  
6 into this contract with someone -- with a partner who  
7 has failed to be forthcoming and has failed to meet  
8 metrics time and time again.

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

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

20           MR. FALCONE: Thank you, Legislator  
21 Fleming.

22           And one other thing that I didn't  
23 mention, but I do think is important, is that among  
24 all of our termination rights is the right to  
25 terminate for municipalization. We would have to pay

1 LIPA HEARING 12-2-2021

2 penalty to do so, about \$60 million, which was built  
3 into the options analysis, but that is not different  
4 than what we have currently. So I do want to just  
5 note one thing, which is if the governor and the  
6 legislature as LIPA's public entity decide that we  
7 should go a different way, we've done nothing in the  
8 contract that precludes that addition.

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

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

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

19 LEGISLATOR FLEMING: Thank you.

20 MR. LOCASCIO: Thank you,  
21 Legislator.

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

25 So Kasey, we're going to move you

1 LIPA HEARING 12-2-2021

2 into the panelist mode now.

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

4 My name is Kasey Scheid.

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

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

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

1 LIPA HEARING 12-2-2021

2 customers, but it's created jobs for our members.

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

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

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

16 MS. SCHEID: Thank you. He didn't  
17 do this all day. She has to start. All right.  
18 Thanks, guys.

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

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

LIPA HEARING 12-2-2021

1 that point.

2  
3 Fred, you're moving in now. Hi,  
4 Fred. How are you? The floor is all yours.

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

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

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

23 This is the eighth year of PSEG  
24 managing the system. They've profited handsomely,  
25 receiving hundreds of millions of dollars of



1 LIPA HEARING 12-2-2021

2 ratepayer money in fees and profits. What have we  
3 gotten for our money? A company which needs  
4 intensive supervision in virtually every area of  
5 operation; transmission and distribution, IT, power  
6 supply programs.

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

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

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

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

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

24 On September 22nd, Mr. Eichorn  
25 declared in a report to the LIPA Board that PSEG was

1 LIPA HEARING 12-2-2021

2 "back to controlling the messaging". That's for  
3 sure.

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

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

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

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

24 If we have a stronger agreement and  
25 it is a much better and stronger agreement, no doubt,

1 LIPA HEARING 12-2-2021

2 we have a PSEG that must be thoroughly policed.  
3 Either way, we have the albatross of PSEG and its  
4 80 million in fees and profits.

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

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

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

21 MR. HARRISON: Thank you.

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

25 Antonio, I'm going to move you into

1 LIPA HEARING 12-2-2021

2 the panelist view now.

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

5 MR. LOCASCIO: We can.

6 MR. CRUZ: Great. Thank you so  
7 much.

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

16 I see that the contract being  
17 proposed would essentially render Long Islanders  
18 splitting the cost of power and efficiency, whether  
19 that is in the form of 2.3 price hike in 2021 and  
20 2022. It's in your contract, which I believe even  
21 PSEG projected was supposed to be lower in cost. But  
22 anyway, or in the tens of millions of dollars should  
23 PSEG fail to meet the demands for eco-friendly,  
24 efficient, consistent power distribution all on Long  
25 Island.

LIPA HEARING 12-2-2021

1  
2 And now, I bring this up because  
3 regardless of good-faith arguments or speculation,  
4 which is essentially what Long Islanders are going to  
5 be doing at this point because at the end of the day,  
6 until we have dangerous storms and stuff like that  
7 that are caused by climate change, which, again, PSEG  
8 is not even projecting to meet those deadlines by  
9 2040, which is still beyond recommendations to meet  
10 this by 2025, 2030. So, again, we are seeing issues  
11 with this.

12 But I don't think Long Islanders  
13 should be paying 30 million -- should have paid  
14 30 million for poor system maintenance and stuff like  
15 that. And I believe if we municipalize, we can see  
16 cost-cutting measures like municipal bond access,  
17 department income and having this all be essentially  
18 streamlined, in my case, through Suffolk County  
19 departments, like the Public Works Department and  
20 infrastructure funding, as well as the Long Island  
21 Power Authority. All these institutions can do a lot  
22 more to ensure unionized jobs, lower costs, safer  
23 electric systems, et cetera.

24 So to bring this back -- and,  
25 again, I'm really trying to be brief here -- this

LIPA HEARING 12-2-2021

1  
2 contract really doesn't address the concerns that a  
3 lot of us have. This contract creates more  
4 administrative-level jobs that would be salaried and  
5 protected. This doesn't ensure that we would  
6 actually be addressing, as well, inflation prices  
7 here on Long Island because higher utility costs are  
8 part of that problem, and that's why this crisis goes  
9 beyond just keeping the lights on.

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

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

25 MR. LOCASCIO: Thank you, Antonio.

1 LIPA HEARING 12-2-2021

2 Next up is Charles, then Eric Weldman, and then  
3 Margaret Maher will be up next.

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

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

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

19 We were assured that PSEG had  
20 gotten their acts together, but when Hurricane Henri  
21 was threatening the coast, my memory -- according to  
22 my memory, I remember 7- to 14-day warnings of  
23 failure, potential failures, you know, power might be  
24 out 7 to 14 days, and I thought PSEG had said they  
25 would fix everything. But that's -- that's what we

LIPA HEARING 12-2-2021

1  
2 heard. Thankfully for Long Islanders, Henri did not  
3 hit Long Island. And, mind you, it hit Rhode Island,  
4 and their power was back within 1 to 2 days, I  
5 believe, you know, versus the 7 to 14 days that PSEG  
6 was warning us about.

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

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

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

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

23                   MR. WELDMAN: Sorry about that.

24                   MR. LOCASCIO: Great.

25                   MR. WELDMAN: My name is



LIPA HEARING 12-2-2021

1  
2 Eric Weldman, and I'm a New York senior organizer with  
3 Food & Water Watch, a national nonprofit environmental  
4 (technical difficulties) Reimagine LIPA campaign,  
5 along with the Long Island Progressive Coalition,  
6 Mothers Out Front, All Our Energy and so many other  
7 incredible activists and allies.

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

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

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

LIPA HEARING 12-2-2021

1  
2 over people.

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

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

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

23 We have a new governor. We have  
24 new Board members and even more will be appointed.  
25 The Hochul administration and the LIPA Board have the

1 LIPA HEARING 12-2-2021

2 opportunity to acknowledge and move past the mistakes  
3 of Andrew Cuomo and put the relationship with PSEG  
4 where it clearly belongs, in the dust bin of history.

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

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

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

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

22 This new contract with PSE&G does  
23 not fix or lower our rates, we need to manip -- I'm  
24 sorry, municipalize now. We all know how much it  
25 costs to live on this island. It is so expensive

LIPA HEARING 12-2-2021

1  
2 between the taxes and the water, the gas, the  
3 electric. These municipalities should all be public.  
4 We pay high bills that seem to serve stockholders  
5 over ratepayers, and this is just unacceptable.

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

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

22 We need to go green to fight  
23 climate change. We need Governor Hochul to champion  
24 this cause. This is extremely important. We are  
25 paying so much money, and the benefit to us is very,

1 LIPA HEARING 12-2-2021

2 very little. It's really upsetting.

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

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

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

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

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

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

LIPA HEARING 12-2-2021

1  
2 were lied to.

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

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

24 So as we end the relationship with  
25 PSE&G, this gives us an opportunity for a new

LIPA HEARING 12-2-2021

1  
2 relationship that public power grants us. We're also  
3 going to have to entirely change the way that we  
4 produce and consume energy, we have to do it, there  
5 is no option. And on top of it, the way we consume  
6 energy is actually going to be more electrified, so  
7 it's going to be putting even more pressure and  
8 strain on the infrastructure, that is in turn, also  
9 threatened by these storms that are only going to get  
10 bigger and bigger. So in the process, we also need  
11 to be creating clean and energy and efficient energy.  
12 We need to get away from fossil fuels that we are not  
13 exacerbating the problem that is creating the storms.

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

23 This is something that we have to  
24 do together, as communities, as government, as  
25 scientists. And we need community input. We need

LIPA HEARING 12-2-2021

1  
2 community members at the table. I said before in  
3 other meetings, we know what we need, we know what we  
4 want and we work together with experts. We work  
5 together with LIPA. We can do this. We do not need  
6 PSE&G. We need to end -- we need to end this  
7 relationship and we need public power.

8 Thank you so much for letting me  
9 speak.

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

12 Next up will be Mike Brady,  
13 followed by Ryan Madden, and then George Povall.

14 Mike, we're bringing you in now.

15 MR. BRADY: Hi. Can you hear me?

16 MR. LOCASCIO: We can.

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

22 I'm here to encourage the Board to  
23 end LIPA's relationship with PSE&G and to, instead,  
24 pursue full municipalization of the Long Island power  
25 grid.



1 LIPA HEARING 12-2-2021

2 Other speakers tonight have and  
3 will continue to outline for you a variety of  
4 excellent reasons for municipalization, including  
5 enormous cost savings, operational efficiency and the  
6 overwhelming public support that has been expressed  
7 in virtually every recent meeting of this Board, as  
8 well as in the public hearing that was held in May.

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

19 I'd like to take a different tact  
20 and try to convince you to change this course because  
21 entering this contract is a horrible business  
22 decision. As an attorney, I often tell my clients  
23 that a contract is only as good as the parties that  
24 are involved in the transaction. Is it my belief  
25 that PSE&G is not a good partner and cannot be

LIPA HEARING 12-2-2021

1  
2 trusted. Why do I believe that? Because the LIPA  
3 Board has repeatedly told me so. The Board has  
4 accused PSE&G of being woefully unprepared for  
5 Hurricane Isaias. The Board has repeatedly told us  
6 that PSE&G is not meeting the benchmarks that were  
7 set to ensure that systems upgrades were completed in  
8 a timely manner so that such a disastrous storm  
9 response never occurs again.

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

15 I'm here to tell you that as  
16 ratepayers, we don't want PSEG to reimburse our  
17 money. We don't want them to be paid in the first  
18 place. What we do want is for our money to go  
19 towards a durable and reliable power grid. We want  
20 accessible communications and updates in the event of  
21 power outages. We want rapid and efficient  
22 restoration of service, we want to pay electric fees  
23 that are not among the highest in the country. We  
24 want a utility that is agile and capable enough to  
25 rapidly complete the critical transition to renewable

1 LIPA HEARING 12-2-2021

2 energy that is mandated by the Climate Leadership and  
3 Community Protection Act.

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

11 MR. LOCASCIO: Thank you, Mr. Brady.

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

15 Ryan, we're moving you in now.

16 MR. MADDEN: Can you hear me?

17 MR. LOCASCIO: We can.

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

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

1 LIPA HEARING 12-2-2021

2 and national levels to attain racial justice, build  
3 community wealth and realize a just transition to a  
4 100 percent renewable energy future.

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

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

24 And in light of all of this, the  
25 ground swell of community-elected and public support

LIPA HEARING 12-2-2021

1  
2 for the full municipalization of the Long Island  
3 Power Authority, we are here to say that this new  
4 contract does not fix the fundamentally flawed model  
5 of our utility and that we need to municipalize. It  
6 is impossible to comment on this reformed contract  
7 without noting the structural issues surrounding  
8 this.

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

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

20 As was noted earlier, too, and  
21 reflected by other speakers, is that decisions about  
22 the future of the Long Island Power Authority and its  
23 relationship to PSEG should belong with the  
24 ratepayers of this region and the ratepayers of this  
25 region alone.

1 LIPA HEARING 12-2-2021

2 And former governor Andrew Cuomo  
3 only had his legacy in mind when he pushed LIPA and  
4 PSEG to renew terms earlier in July. He, in that  
5 decision, deliberately ignored Long Island ratepayers  
6 and elected officials and then, instead, exerted his  
7 influence on behalf of PSE&G.

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

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

23 As we know, LIPA can save nearly  
24 \$1 billion over the next decade through this process.  
25 So instead of bonuses to untenable managers and

## LIPA HEARING 12-2-2021

1  
2 dividends to distant stockholders, we can see lower  
3 rates and improved services for customers.

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

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

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

20           LIPA must also heed the call to  
21 engage in more robust intentional community  
22 engagement and the conduct in utility operations.  
23 While these public comment sessions are appreciated  
24 and vital, they also feel somewhat insincere by their  
25 impact, maybe not by their intent.

## LIPA HEARING 12-2-2021

1  
2           The public had less than 30 days to  
3 read a 300-page contract, digest it, develop comments  
4 on it and then deliver those comments. The majority  
5 of the turnout for these sessions is based on the  
6 work of community organizations like ours and not the  
7 efforts of the utility to seek input.

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

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

20           We must ensure that those who use,  
21 pay for and work for the system have a say in how it  
22 runs. Despite the flawed model utilized in its  
23 conduct, LIPA is and probably claims to be a public  
24 power utility, and that must mean the operation  
25 management and policy-making of the electric utility



LIPA HEARING 12-2-2021

1  
2 exclusively by the public for the public interest,  
3 which can only be the case with ongoing and  
4 meaningful engagements.

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

14 MR. LOCASCIO: Thank you for your  
15 comments.

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

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

24 So, George, we are bringing you in  
25 now. George, you're on mute.

1 LIPA HEARING 12-2-2021

2 MR. POVALL: Hey, everybody, it's  
3 George Povall from All Our Energy, executive director.  
4 All Our Energy is a Long Island energy and  
5 environmental protection nonprofit organization. And  
6 I want to thank you, Tom, and the Board for all of the  
7 work that you've put forth to improve our utility over  
8 the past 16 months in the push to move what was, for  
9 everyone involved, the obvious choice of public power.

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

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

25 But we truly thank the past and

LIPA HEARING 12-2-2021

1  
2 presently outgoing Board members for their service,  
3 which much of the Board to be new members early in  
4 the year, we do feel having them decide such an  
5 important matter and then leave in the coming weeks  
6 just diminishes the great work the Board has done,  
7 and it diminishes accountability that has been so  
8 missing from this entire process.

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

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

25 The provision for nearly a year's

LIPA HEARING 12-2-2021

1  
2 severance as well in management fees, for failure on  
3 such a short-term contract still leaves us in  
4 diminishing returns. That might be a bonus for them  
5 to even get fired at some point. The proof of this  
6 is -- is this being a possible outcome is PSEG Long  
7 Island testifying to New York State Assembly a month  
8 after this contract was announced that everything was  
9 under control and not going to be a problem. And  
10 then just a few days later, with Hurricane Henri  
11 coming up the coast, we were told to prepare for 10  
12 to 14 days without power.

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

24 This resolution to the ongoing  
25 problems, though, exemplifies why we believe that the

1 LIPA HEARING 12-2-2021

2 LIPA Board and, ultimately, Governor Hochul have a  
3 responsibility to steer our course forward towards  
4 public power. Thank you all so much.

5 MR. LOCASCIO: Thank you, George.

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

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

14 This reformed contract with PSEG is  
15 a half measure when LIPA needs to use a full measure.  
16 The contract needs to be terminated, the failed  
17 public/private partnership model needs to go, and  
18 LIPA needs to be fully democratized. A short leash  
19 on PSEG doesn't mean much when public power is a  
20 better deal for Long Island. Maybe there's a  
21 \$60 million fine, like you said, Mr. Falcone, but  
22 LIPA's own analysis says it would save nearly a  
23 billion dollars over the next decade if the PSEG  
24 contract was terminated in favor of full  
25 municipalization.

1 LIPA HEARING 12-2-2021

2 The only reason the contract was  
3 agreed upon in the first place is former Governor  
4 Cuomo. So why should we settle for this exactly?

5 Long Island can make such a  
6 powerful statement by severing ties with wasteful and  
7 inefficient management of PSEG and signing with the  
8 people it serves, the stakeholders and ratepayers.

9 And climate change is,  
10 unfortunately, here to stay. We can expect some  
11 storms in the future to be worse than tropical storms  
12 that we've witnessed in the past. Personally, I want  
13 us to be prepared in the best way we can. Not by  
14 having a private management service provider, but a  
15 publicly-owned-and-operated utility which, of course,  
16 already service about 15 percent of Americans, are  
17 13 percent cheaper and have 46 percent fewer power  
18 outages.

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

23 MR. LOCASCIO: Thank you, Timothy.

24 William Novello will be up next,  
25 followed by Paul Merkelson.

1 LIPA HEARING 12-2-2021

2 And I will note that there were  
3 some folks that had their hand up and then put them  
4 down. If there are people that would like to speak  
5 on this matter, I would ask you please raise your  
6 hand.

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

9 MR. NOVELLO: Can you hear me?

10 MR. LOCASCIO: We can.

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

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

25 The relationship here seems to be

LIPA HEARING 12-2-2021

1  
2 that LIPA seems to be meaning to pay more and create  
3 more and more metrics in order to oversight PSEG for  
4 the work that they're supposed to be doing on their  
5 own, creating more costs for a middle management  
6 relationship that seems to be quite more contractual  
7 and, quite frankly, abusive for the people of Long  
8 Island who are clearly having this thrusting upon  
9 them.

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

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

22 So I just wanted to express that,  
23 clearly, municipalization would be the best course of  
24 action that PSE&G needs to be eliminated as a working  
25 partner with LIPA as soon as possible. And if that



1 LIPA HEARING 12-2-2021

2 is not the case and if LIPA refuses to do that, then  
3 it is up to the public and to the state government to  
4 thrust a decision to change that. And that's where  
5 I'm at.

6 Thank you and have a good evening.

7 MR. LOCASCIO: Thank you, William.

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

10 Paul, you're on mute.

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

18 And, clearly, this issue is, you  
19 know, dear to our mission of accomplishing those  
20 objectives. So we're really urging LIPA not to make  
21 a rush to judgment. Please let the attorney general  
22 finish our investigation, delay your vote until all  
23 the information is in. I believe, I hope that the  
24 time of this public session is to allow you to hear  
25 and gain enough support from the public to do that

LIPA HEARING 12-2-2021

1  
2 and to move down a more responsible path. Securing  
3 (technical difficulties) affordable power is too  
4 important to be subject to private profit.

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

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

23 So it also speaks -- if that was in  
24 prior contracts, it speaks to the bankruptcy of  
25 model, the private/public partnerships. And, again,

LIPA HEARING 12-2-2021

1  
2 municipalization has a much better track record in  
3 terms of performance and course delivery.

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

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

22           These black swans or 100-year  
23 events that you're talking about, they are totally  
24 unprepared to deal with that. We need a totally  
25 different model that can handle events that cannot be

LIPA HEARING 12-2-2021

1  
2 foreseen. Because every year, in every community you  
3 see this. These are not things we read in papers,  
4 these are things that people are experiencing and  
5 people feel threatened. This is not just about their  
6 rate; it's about their lives, their security. Even  
7 if they don't drown in their basements as other  
8 people have done in the region, they're at risk of  
9 living in homes that have mold and have other health  
10 and safety results as a result of climate events.  
11 Living in and occupying a home that has gone without  
12 power for any substantial length of time also  
13 prevents those risks. So these are things that are  
14 effecting people's safety, security and lives.

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

20 MR. LOCASCIO: Thank you, Paul.

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

23 Again, a reminder, if you are on  
24 and would like to comment, you do need to raise your  
25 hand to do so.

1 LIPA HEARING 12-2-2021

2 Jeremy, you're being brought in  
3 now.

4 MR. JOSEPH: All right, hi.

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

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

LIPA HEARING 12-2-2021

1 the hands of shareholders.

2  
3 Now, as it stands, PSEG has not  
4 shown themselves to be a competent partner. They  
5 have a long history that falls well short of our  
6 expectations, and they have not even provided  
7 adequate service under our current agreements. So  
8 why are we extending more grace to a relationship  
9 that shouldn't exist in the first place?

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

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

25 MR. LOCASCIO: Thank you, Jeremy.

1 LIPA HEARING 12-2-2021

2 Jennifer Greene, and then  
3 Amber Ruther, and then Billii Roberti.

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

9 So, Jennifer, we're bringing you in  
10 now.

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

13 MR. LOCASCIO: We can hear you.

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

17 This is my first time at a LIPA  
18 public hearing, and I will be brief. I am a  
19 long-time ratepayer in Bellport. I'm also a member  
20 of Suffolk County Democratic Socialists of America,  
21 and I'm the daughter of an energy economist who  
22 studied utilities, among other things. If he were  
23 alive today, I know he would be here speaking to you  
24 too. So I'm here tonight to add my voice to the many  
25 who are calling for full municipalization of Long

LIPA HEARING 12-2-2021

1  
2 Island's power. Third-party management isn't what we  
3 need. Publicly owned utilities are better on  
4 numerous counts.

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

11 MR. LOCASCIO: Thank you, Jennifer.

12 Amber Ruther will be next, and then  
13 followed by Billii Roberti.

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

22 For now, I urge the LIPA Board to  
23 delay the vote on this process and fully commit to  
24 developing a roadmap for public power. We will also  
25 be working on developing legislation to implement



1 LIPA HEARING 12-2-2021

2 public power with the Reimage LIPA Coalition, since  
3 legislation is clearly needed at this point.

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

21 I'm an intervener in utility rate  
22 cases around New York, and I've seen the ways in  
23 which complex performance metrics such as earning  
24 adjustment mechanisms have largely failed to address  
25 performance issues and have only led to increased

LIPA HEARING 12-2-2021

1  
2 rates for ratepayers at a time when over a million  
3 New Yorkers already can't afford their utility bills.

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

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

17           We've seen the worst-case scenario  
18 of what can happen in places like Texas, where the  
19 energy people need to survive is treated as a  
20 commodity to profit from instead of as a human right.  
21 There's a reason that PSEG has poor risk management.  
22 It's because they know the biggest risks of their  
23 utility operation -- the risks of climate change, the  
24 risks of safety issue for workers and the risk of  
25 blackout that will force people to miss work, lose

1 LIPA HEARING 12-2-2021

2 food and medication or even freeze to death -- will  
3 fall on the backs of Long Islanders, not on  
4 shareholders. In any private monopoly, risks and  
5 costs are socialized and profits are privatized.  
6 PSEG is the only utility in the country that operates  
7 with a public/private partnership model. And there's  
8 a reason for that. It doesn't work.

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

16 And to whoever (indecipherable) of  
17 the options analysis, which clearly showed that a  
18 fully public system was, by far, the best option for  
19 ratepayers and that the public hearings where around  
20 90 percent of the testimony, was in favor of public  
21 power, was essentially ignored and overruled by a  
22 backroom deal made by a disgraced former governor  
23 Andrew Cuomo.

24 We believe the onus is now on  
25 Governor Hochul to steer our course back towards

LIPA HEARING 12-2-2021

1  
2 public power. She must reject her predecessor's  
3 failed vision and embrace approving the model for  
4 ensuring Long Island has reliable, affordable and  
5 renewable power. Why should Long Island ratepayers  
6 be forced to pay 65 to 75 million dollars more per  
7 year for a public/private partnership that  
8 continually fails them?

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

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

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

23           We know public ownership in and of  
24 itself is not a panacea. We also need robust  
25 democratic government mechanisms to insure that the

1 LIPA HEARING 12-2-2021

2 interest of workers, ratepayers, reliability and the  
3 environment are balanced. That's why I also support  
4 the proposal to add an observatory and an elected  
5 LIPA Board that will foster public engagement.

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

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

14 MR. LOCASCIO: Thank you, Amber.

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

21 We're going to bring Billii in  
22 right now.

23 MS. ROBERTI: Good evening. My name  
24 is Billii Roberti. I'm a member of Mothers Out Front,  
25 and have been a homeowner in Huntington Station for 25

LIPA HEARING 12-2-2021

1  
2 years. I have lived through LIPA Keyspan, LIPA  
3 National Grid and LIPA PSEG; and I can tell you the  
4 public/private model does not work. How many times  
5 does the model have to fail before we reject it in  
6 favor of the fully public LIPA?

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

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

24 We need a customer-focused utility  
25 that is accountable, reliable, transparent and

LIPA HEARING 12-2-2021

1  
2 equitable with more public input and better  
3 leadership in decarbonizing our buildings. We need a  
4 LIPA that answers to its customers. We need  
5 leadership focused on moving aggressively towards  
6 electrification and the greening of our grid. Our  
7 future lies in electrification; and for that, it  
8 needs to be reliable and renewable. We need to  
9 revise the rate structure and make it totally  
10 transparent. And as it stands now, delivery and  
11 service charges are skewed lower for fossil fuel  
12 users and higher for all-electric homes.

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

21           Your current rate plan for 2022  
22 creates a "solar tax" for new solar adopters. If  
23 instead of the basic service charge, a per day rate  
24 included all the costs associated with the operation  
25 and maintenance of the electric grid, including the

LIPA HEARING 12-2-2021

1  
2 cost of debt service and the transition to  
3 renewables, not the amount of kilowatt hours  
4 consumed, it would create a level playing field for  
5 all.

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

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

20 MR. LOCASCIO: Thank you, Billii.

21 We did have one additional hand  
22 raised, Christian Araos, who we are going to bring in  
23 right now.

24 MR. ARAOS: There we go. Hi. Mic  
25 check. Cool. Good evening. My name is



1 LIPA HEARING 12-2-2021

2 Christian Araos, and I am the co-chair of Suffolk  
3 County's DSA's (technical difficulties) working group.  
4 Suffolk County DSA is a full partner in the Public  
5 Power New York Coalition and the Reimagine LIPA  
6 campaign.

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

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

24 Tonight is the only say we LIPA  
25 ratepayers will have in the decision. When we spoke

1 LIPA HEARING 12-2-2021

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

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

17 MR. LOCASCIO: Thank you, Christian.

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

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

24 MR. FALCONE: I just want to thank  
25 everybody for spending your evening or a good portion

1 LIPA HEARING 12-2-2021

2 of it with us talking about electricity. As I started  
3 off with, you're my kind of crowd that you want to  
4 spend your evening talking about electricity. When I  
5 go home, my wife doesn't have the same level of  
6 interest that I get here; so I really appreciate it.  
7 And I thank you for contributing to our public  
8 dialogue.

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

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

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

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

LIPA HEARING 12-2-2021

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LIPA HEARING 12-2-2021

C E R T I F I C A T E

STATE OF NEW YORK            )  
  :  SS.:  
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