Name:
Jennifer Valentine

Comment:
My name is Jennifer Valentine, a resident of Massapequa Park. I am writing to say that this new contract does not fix the fundamentally flawed model of our utility and that we need to municipalize.

I am concerned that this contract is moving ahead before the Attorney General finishes her investigation into whether PSEG’s failed storm Isaias response broke state laws and before we know the responsiveness of the new storm outage-management computer system that PSEG has neglected to deliver on. I urge the LIPA Board to delay this vote and suspend this process until they have more information on which to make a sound decision for the future of the utility.

In the months after Tropical Storm Isaias, we saw tense and bitter exchanges as PSEG refused to negotiate with the LIPA Board’s good faith demands. The LIPA board members expressed their fundamental mistrust of PSEG after learning how PSEG lied about its preparedness for the tropical storm, its immediate response to it, and the number of upgrades it made afterwards. LIPA itself determined that management failures were the root cause and that PSEG lacks proactive risk management. PSEG’s computer systems were malfunctioning well before Tropical Storm Isaias in August of 2020 but management left the issue uncorrected and failed to disclose this vital information. Due to their neglect, 535,000 customers went without power or answers when the storm hit.

Decisions about the future of the Long Island Power Authority, its relationship to PSEG, and its responsibilities to Long Island and Rockaway ratepayers should belong to the ratepayers of this region, and the ratepayers of this region alone. Former Gov. Andrew Cuomo only had his legacy in mind when he pushed LIPA and PSEG to renew terms earlier in July.

Former Gov. Cuomo deliberately ignored LIPA ratepayers and elected officials’ stated preferences. Instead, he exerted his influence on behalf of PSEG to avoid further embarrassment as his tenure was coming to an end. With his resignation, this entire deal has been called into question. We believe the onus is now on Governor Hochul to steer our course back towards public power. She must reject her predecessor’s failed vision for our region and embrace a proven model for ensuring Long Island enjoys reliable, affordable, and renewable power.

Following LIPA’s public hearings about its updated Options Analysis in May, it's clear that we have overwhelming consensus for the board to terminate its contract with PSEG and to commit to full municipalization. 90% of the testimony, both live and written, was in favor of this path for our utility. The testimonies added to the chorus of community and political support for public power on Long Island.
Last year, environmental organizations, grassroots community groups, civil rights organizations, reproductive healthcare providers, business associations, Indigenous groups, and faith organizations signed onto the Reimagine LIPA statement, demonstrating the widespread support for moving away from the failed public-private partnership model. Fifteen Long Island and Rockaway lawmakers also showed their support for full municipalization by signing a letter addressed to former Gov. Cuomo earlier this year.

Regardless of the terms of this new contract, the decision to move ahead with PSEG after everything we know is an insult to Long Island communities. Anything less than not signing this contract is a dereliction of duty to LIPA ratepayers who need democratic management of our energy system to deal with the worsening climate crisis.

LIPA can save nearly $1 billion over the next decade through municipalization. Instead of paying bonuses to unaccountable managers and dividends to distant stockholders, LIPA could lower rates and improve service for customers by investing in resilient infrastructure and improving its crisis management system.

Publicly-owned utilities and co-ops nationwide fare as well or better than private sector utilities in the measures customers care about – customer satisfaction and reliability. They also tend to be leaders in clean energy. Across the country, 2,000 public power utilities serve almost 15% of Americans, offering 13% cheaper rates and 46% shorter outage times than private utilities: In the face of worsening storms, Winter Park, Florida voted to municipalize in 2003. They’ve since expanded solar generation and vastly improved grid reliability, while keeping rates below their state’s average. Municipal utilities can be remarkably innovative: In 1996, Chattanooga’s Electric Power Board began investing in fiber optics, laying the groundwork for a world-class smart grid that has reduced power outages by 60% and saved the city close to $60 million annually.

To properly represent the public, LIPA’s board must include better representation of critical local stakeholders, from resilience experts to community and environmental advocates. Planning and operations must be informed by robust public participation processes and partnerships with universities and local organizations.

LIPA’s own Adoptions Analysis states that municipalization would result in: “Savings of $65 to $75 million per year compared to PSEG LI contract. Municipal Management is financially feasible and an attractive alternative to the single-source service provider model. This savings can be used for storm hardening, investing in clean energy production, and lowering rates.”

This Board has a choice to make: vote in favor of the contract and betray LIPA’s ratepayers, or cut ties with PSEG and commit to a new paradigm of energy management on Long Island. I urge you to do the latter: terminate LIPA’s contract with PSEG LI as soon as possible and fully municipalize through a genuine, inclusive, and robust process as that path forward is determined.