



Economic Development Annual Update

F&A Committee Presentation

September 28, 2022

AGENDA

Report on 2021 economic development activities

- Large business programs
- Small business programs
 - Vacant Space Revival
 - Main Street Revitalization
- Outdoor commerce support during COVID-19 pandemic

Large Business Programs

Business Development Rate

- 5-year bill credit program for new or expanding Long Island businesses
- 2021: 18 customers, \$410,000 in discounts

Excelsior Jobs Program

- Statewide program providing utility rate discounts and tax credits to incentivize job creation, retention, and local investment
- On Long Island, over 6,200 jobs retained or added, with \$150 million in capital investment (since inception)
- 116 Long Island projects accepted in the program
- 2021: \$700,000 in discounts paid to 20 NYS-certified accounts

Recharge New York

- Energy commodity program with lower-cost hydro and market energy provided by NYPA, with LIPA as the delivery agent
- 317 LIPA customers participate in this program, with over 71,800 jobs created or retained, with \$2.9 billion in capital investment (since inception)

Small Business Program: Vacant Space Revival

Purpose: Helping local business districts fill vacant commercial spaces

Program Goals

- Drive economic growth and jobs in local business communities
- Create electric revenue from existing infrastructure assets

Incentives

- Subsidizes first-year electricity costs for new businesses
- Rate 280 credits up to \$1,500
- Rate 281 credits up to \$10,000

Participation

- 2019 – 35 customers & \$62,951 incentives
- 2020* – 16 customers & \$55,536 incentives
- 2021* -- 24 customers & \$16,500 of incentives

*Program not promoted during COVID-19 shutdown

Small Business Program: Main Street Revitalization

Purpose: Revitalizing under-utilized business districts

Program Goals

- Support local communities and small businesses
- Optimize the existing electric infrastructure
- Create jobs and leverage capital investment

Incentives

- Up to \$100,000 grant with match, up to \$25,000 without match
- Projects with greater economic benefits to the community earn higher incentives

Accomplishments To Date

- 38 projects supported and 14 additional in progress
- Projects have provided \$137 million in direct investment and created over 650 jobs
- Total LIPA-funded grants of \$921,000 awarded since 2018

Support for Outdoor Commerce During COVID-19 Shutdowns

2020 / 2021: Main Street Revitalization Outdoor Commerce Grants

- Grants to enable & enhance outdoor commerce
- 29 individual grants provided to date, totaling \$137,000

2021: Chamber of Commerce Beautification Grants

- Grants for landscaping and beautification to support outdoor commerce
- 11 individual grants provided to date
- Increased incentives in 2022 from \$2,000 to \$3,500

The background of the slide is a blue-tinted image of a car's instrument cluster. It features several analog gauges, including a speedometer on the right and a tachometer on the left. Below the gauges, there is a digital display showing the number '0359'. The overall aesthetic is clean and professional, with a focus on automotive technology.

Questions?

Appendix

Video Promotions

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



<https://vimeo.com/698275725>



Appendix

Print Promotions



Business discounts

Small businesses fill a major role in the local economy. Now they're filling more empty storefronts in our downtown areas with help from our Vacant Space Program.

You may qualify for electric bill discounts of up to \$10,000 when taking over a commercial space that's been vacant for a year or more. If you own a property, you may apply on behalf of a future tenant.

Visit PSEGLNY.com/business to learn more or call our Business Solutions Center at 1-800-966-4819 to speak with one of our Economic Development specialists.

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PSEG Long Island May 10 · 🌐

Hey, did you see our shout out to small business? We're celebrating the contributions small, local businesses make to our economy and our communities. Our Small Business First, Outdoor Spaces and Main Street Revitalization programs have created jobs, kept restaurants open and have made businesses more energy efficient throughout all of Long Island!

<http://spr.ly/6182y6URY>



Lindenhurst's Sand City Brewing Gets Grant For Reviving Main St.

The brewing received \$25,000 from PSEG Long Island for reusing vacant retail space in a downtown area.

Jacqueline Sweet, Patch Staff | Updated Wed, Jul 21, 2021 at 10:19 am ET

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PSEG LONG ISLAND We make things work for you. Date: May 25, 2021

Pay to the order of **SAND CITY BREWING CO.** \$25,000.00

Twenty-five thousand and 00/100 Dollars

Man Street Revitalization Grant *Jacqueline Sweet*



PSEG Long Island July 6 at 12:30 PM · 🌐

As COVID-19 changed our lives, our commitment to communities remained unwavering. Our Economic Development and Energy Efficiency teams created new programs to support small businesses across Long Island, like **Sand City Brewing Co.** in Lindenhurst. Check out how we helped them power through!



Ian O'Connor
Tap Room manager - Sand City Brewing

PSEG

FOR CONSIDERATION

September 28, 2022

TO: The Board of Trustees

FROM: Thomas Falcone

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

Requested Action

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

Background

By Resolution No. 1356, dated March 29, 2017, the Board adopted the Policy with the purpose of promoting the economic growth and vitality of the service territory through the efficient use of utility plant and equipment, consistent with LIPA's mission to its customer-owners. The Board last reviewed the Policy on August 11, 2021.

Compliance with the Policy

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

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

In the Policy, LIPA and its service provider are directed to "[a]ttract commercial customers to LIPA's service territory and help such customers grow their businesses through electric rates that are discounted below LIPA's average cost of service, without which rates such companies would not locate in the service territory." The Policy also provides that LIPA will "[o]ffer economic development rates and programs consistent with those offered by other utilities in the state or best practices within the electric utility industry."

In 2021, LIPA's economic development rates and programs achieved the following results:

- 38 large business accounts received discounted power through our Business Development Rate and legacy New York State programs, such as the Excelsior Jobs program in 2021. These businesses received approximately \$1.1 million in discounts in 2021.
- 317 large business accounts received power through the Recharge New York program, with commodity delivered by LIPA and its agent, PSEG Long Island. Collectively, since its inception, the Recharge New York program has created or retained over 71,800 jobs.
- 24 small business customers opened new accounts through the Vacant Space program in 2021, which encourages new businesses to occupy spaces that have been vacant for at least one year. Total incentives awarded during 2021 were \$16,500.
- A total of \$156,000 in incentives were awarded to support 12 community projects through the Main Street Revitalization program in 2021. Since 2019 these projects leveraged over \$137 million in private investment while creating over 650 jobs.

The Policy further provides that LIPA and the service provider will “[e]ngage in community events, volunteerism, and educational programs consistent with the purpose of this Policy.”

- Due to the COVID-19 pandemic, two new programs were developed and implemented through working with the various Chambers of Commerce in our service territory. Grants of up to \$5,000 to enable outdoor commerce began in 2020. In 2021, 29 grants totaling \$137,000 were given out. Also, beginning in 2021, the program expanded to include 11 grants up to \$2,000 for landscaping and beautification for the purpose of supporting outdoor commerce in business districts affected by COVID-19.

Annual Review of the Policy

The Board hired Leading Resources, Inc. to review the Board policies and to facilitate discussion amongst the Trustees on certain policies. The amended Policy was discussed with the Board at the meeting on July 27, 2022. Specifically, the amendments include adding a bullet with respect to LIPA’s impact on local economic development as a large purchaser of goods and services, which was previously part of the Board’s Policy on Resource Planning and Clean Energy. Other minor amendments have been included on the Policy to conform this Policy with other policies previously reviewed with Leading Resources. The updated Policy is set forth on **Exhibit “B”**.

Recommendation

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

Attachments

- Exhibit “A”** Resolution
- Exhibit “B”** Policy

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

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

WHEREAS, the Policy was last reviewed by the Board on August 11, 2021; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with and concurs that the changes proposed to the Policy are due and proper.

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

BE IT FURTHER RESOLVED, that the Board hereby approves the amendments to the Policy as set forth in **Exhibit “B”**.

Dated: September 28, 2022

Board Policy: **Economic Development and Community Engagement**

Policy Type: **Strategic Direction**

Monitored by: **Finance and Audit Committee**

Board Resolution: **#1356, approved March 29, 2017**
#1470, amended March 20, 2019
#1537, amended June 24, 2020
#xxxx, amended September xx, 2022



LIPA's vision for **economic development and community engagement** is to promote the economic growth and vitality of our service territory by encouraging the efficient use of utility plant and equipment and by attracting personnel to LIPA and its service provider who are purpose-oriented and dedicated to Long Island and the Rockaways.

LIPA will achieve our vision of economic development and community engagement by:

- Attracting both large and small commercial customers to the service territory and helping such customers grow their businesses through electric rates that are discounted below LIPA's average cost of service¹;
- Offering economic development rates and programs consistent with those offered by other utilities in the State or best practices within the electric utility industry;
- Engaging in community events, volunteerism, educational programs, and selected grant-making consistent with LIPA's powers, duties, and purpose and the framework of this Policy, with a general preference for engaging with governmental entities, not-for-profit organizations, and businesses located in the service area².
- Endeavoring to be an agent of local economic development as a large purchaser of goods and services. In doing so, in selecting among alternatives, LIPA will take into consideration the operational, environmental, and economic benefits to the service territory, including any impact on long-term local employment.

The Chief Executive Officer, or his or her designee will report annually to the Finance and Audit Committee of the Board of Trustees on the key provisions of this Policy.

¹ The discounted rates will be above LIPA's marginal cost of serving new electric load or retaining existing load by using facilities and assets that would otherwise be underutilized.

² The policy does not promote the use of customer funds for charitable causes unrelated to a power, duty or purpose of LIPA granted pursuant to applicable law. LIPA's Chief Executive Officer is delegated authority to contract with grant partners where LIPA's commitment of financial and in-kind resources does not exceed \$1 million.