

**FOR CONSIDERATION**

June 28, 2023

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**SUBJECT:** Consideration of Approval of the Selection of Firms to Provide Rate Consulting Services

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**Requested Action**

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution, attached hereto as **Exhibit “A”**, authorizing the Chief Executive Officer, or his designee, to engage three firms to provide rate consulting services on an as-needed basis, for LIPA, and its subsidiary, the Long Island Lighting Company d/b/a LIPA for a term not to exceed five years.

**Background**

LIPA Staff has an ongoing need to evaluate rate design alternatives and to craft multi-year rate plans. These requirements are driven by the ongoing need to meet the Board’s policy expectations that LIPA’s rates be structured to provide clean, reliable, and affordable energy to Long Island and the Rockaways and that LIPA will: actively engage with our customers and the communities we serve; respond to our customers’ needs and exceed their expectations; be a recognized innovator in our industry to better serve our customers; and be known as a steward of our environment and community. The Board expects that LIPA’s rates will: be as simple and easy to understand as possible; provide customers with opportunities to save money; equitably allocate costs across and within customer classes; encourage conservation, the efficient use of energy resources, and the transition to a carbon-free economy; and employ innovative electric rate design based on industry trends and research, stakeholder feedback in statewide proceedings, LIPA-run collaboratives, and comments from the public.

To achieve these policy goals while providing the best value to our customers, LIPA needs consulting services to supplement the in-house expertise of LIPA’s permanent rate staff, which will help facilitate wider industry experience and knowledge to address specific situations and opportunities.

On March 17, 2023, LIPA issued a Request for Proposals (“RFP”) seeking experienced firms to provide rate consulting services to LIPA for a period of up to five years. The RFP was distributed to 24 firms and also posted on LIPA’s website and in the New York State Contract Reporter. Six firms responded to the RFP. The six proposals were evaluated by a team comprised of LIPA technical staff and its procurement department. LIPA staff proposes to award contracts to the top three firms.

**Discussion**

The responsive proposals were evaluated according to the guidelines set forth in the RFP, which included assessments of the firms’ experience and qualifications, their hourly rates, proposed changes to LIPA’s standard consulting contract, and their proposals to comply with state requirements for participation by minority and women-owned business enterprises. Based on the evaluation, LIPA Staff recommends that the following firms be awarded contracts:

	<b>Firms</b>
1	<b>Christensen Associates Energy Consulting</b>
2	<b>The Brattle Group</b>
3	<b>ScottMadden, Inc.</b>

The hourly rates proposed by the firms have been determined to be reasonable for the services to be provided.

**Recommendation**

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

Attachment

**Exhibit “A”** Resolution

**RESOLUTION AUTHORIZING THE ENGAGEMENT OF FIRMS TO PROVIDE RATE CONSULTING SERVICES**

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**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage the firms so designated in the accompanying memorandum to provide rate consultant services, in the areas described, on an as-needed basis for the Long Island Power Authority, and its subsidiary, the Long Island Lighting Company d/b/a LIPA for a term not to exceed five years from the date of approval of the contracts with each firm by the New York State Office of the State Comptroller.

Dated: June 28, 2023