

FOR IMMEDIATE RELEASE: Wednesday, March 29, 2023

**LIPA BOARD APPROVES TIME-OF-DAY RATES TO PROVIDE
CUSTOMERS OPPORTUNITIES TO SAVE MONEY, SUPPORT CLEAN
ENERGY TRANSITION**

*Long Island and the Rockaways Will Become the First Region in
New York State to Implement Time-of-Day as the Standard Rate Offering*

*More Than 80 Percent of Customers Expected to Have Lower Bills
with No Changes to How or When They Use Electricity*

*Customers Will Receive Ample Utility Communications from PSEG Long Island
and Will Be Transitioned to the New Rate Structure in 2024 and 2025*

UNIONDALE, NY – The Long Island Power Authority (LIPA) Board of Trustees today voted to modernize electric rates for residential customers throughout Long Island and the Rockaways beginning in 2024 with a standard Time-of-Day (TOD) Rate and an optional Super Off-Peak Rate. These new rates will help customers save money and our region’s transition to clean, affordable energy. Customers will still have the option to stay on a flat rate.

LIPA has also announced that customers will be eligible for a 12-month “Bill Protection Guarantee,” which means they will receive a refund, in the form of a bill credit, if they would have paid less on a flat rate than on a new rate.

“I am proud to join with my colleagues today to approve a new, modern rate design that is not only focused on saving customers money, but will also help us meet our clean energy goals and reduce carbon emissions,” said **Mark Fischl, LIPA Board of Trustees Vice Chair**. “With a unique Bill Protection Guarantee, the Board continues to show our commitment to making sure our utility is focused on our customer’s needs, providing options and flexibility under the new Time-of-Day Rate structure.”

“Time-of-Day Rates are an important rate modernization reform that will help lower customer bills and advance clean energy,” said **Thomas Falcone, Chief Executive Officer of LIPA**. “Once implemented in 2024, this initiative will save 80 percent of customers money even before changes to how or when they use electricity. By moving to Time-of-Day Rates, we can reduce carbon emissions and take the burden off the electric grid during the highest times of demand.”

With the new TOD Rate, customers will pay different rates for electricity based on when they use it. Electric rates will be higher during weekdays from 3 p.m. to 7 p.m. (peak) but lower all other hours of the day and on weekends and holidays (off-peak). With the Super Off-Peak Rate, rates are further discounted in the (super off-peak) hours from 10 p.m. to 6 a.m.

Most customers will pay the same or less under the TOD Rate or Super Off-Peak Rate without changing their electricity usage or habits because most customers already conduct most activities during discounted off-peak periods, which make up 88 percent of the hours throughout the year.

While developing the TOD proposal, LIPA proactively sought feedback and received input from customers and stakeholders. Through the process, LIPA evaluated best practices from other utilities across the U.S. that have successfully implemented TOD Rates for their customers, beginning as early as 2018.

The TOD Rate design was collaboratively developed with input from the Department of Public Service (DPS), the New York State Energy Research and Development Authority (NYSERDA), the New York Solar Energy Industries Alliance (NYSEIA), and consumer advocates such as the Utility Intervention Unit (UIU), and the Public Utilities Law Project (PULP).

Rory M. Christian, Chief Executive Officer of DPS, said, “New York State has encouraged the development of Time-of-Day Rates for decades, and the Department strongly supports LIPA’s proposal to build a successful rate framework on Long Island. The Department stands ready and willing to take the important lessons from other utilities around the country and partner with LIPA in making Time-of-Day Rates successful for LIPA’s customers in furtherance of the State’s ambitious climate goals.”

Doreen M. Harris, President and Chief Executive Officer of NYSERDA, said: “This innovative rate design structure is providing a model for utilities across the state by setting a standard for shifting energy consumption away from peak demand as part of building the electricity grid of the future. With this approval, Long Islanders have a valuable opportunity to take control of their energy use and make decisions that can both save them money and reduce harmful emissions.”

David Schieren, President of the Board of NYSEIA, said, “Today marks a significant milestone in the progress towards a clean energy future for Long Island. By implementing a standard Time-of-Day rate, we are leveraging market forces to catalyze the adoption of solar power, battery storage, electric vehicles, and beneficial electrification. We commend the LIPA Board for their forward-thinking decision to adopt a tariff change that will enable a standard Time-of-Day rate for energy consumption. This achievement is the result of strong collaboration and dedication over the past 15 months by stakeholders and policymakers alike. We look forward to continuing to partner with LIPA on the implementation of this new rate design.”

Dr. William Acker, Executive Director of NY-BEST, said, “We commend the LIPA Board of Trustees for adopting a tariff change that will allow for a standard Time-of-Day Rate on Long Island. This decision will play a critical role in helping New York transition to a cleaner, more reliable, and cost-effective energy grid. By enabling customers to shift their energy usage to off-peak hours, Time-of-Day Rates will not only save them money on their electricity bills, but also help to reduce peak demand and promote the integration of more renewable energy resources and energy storage. We applaud LIPA for taking this important step towards a more sustainable energy future.”

LIPA's service provider, PSEG Long Island, will be conducting extensive outreach to all customers before they are transitioned into the new rate. Customers will receive 90, 60, and 30-day notices, which will include information about the different plans, how to optimize their rates, and details regarding the Bill Protection Guarantee.

Customers will be migrated to the new TOD rate plan in phases beginning in 2024 and continuing through 2025. Starting in the Fall of 2023, customers will also have the option to both voluntarily opt into the Time-of-Day Rate and Super Off-Peak Rate early or opt out entirely and remain on the current, Flat Rate.

Louis Debrino, PSEG Long Island Vice President of Customer Operations, said: "PSEG Long Island is proud to be the electric service provider serving Long Island and the Rockaways. PSEG Long Island wants customers to be well informed and prepared. Residential customers will receive a variety of communications about the new rates and bill protection beginning this fall – at least 90 days before any changes are made to their accounts. We are also developing analysis tools and educational content to help customers understand and maximize savings on the new Time-of-Day Rates. Customers are encouraged to review the educational content and tools that will be available later this year. No customer action is required at this time."

The electricity that is generated off-peak emits up to 50% less carbon than the electric generation needed to serve peak demand from 3 p.m. to 7 p.m. during weekdays. The power plants that run during peak periods need to be highly flexible to turn off and on quickly and are less efficient than plants that are optimized to run all the time. By reducing demand during peak periods, LIPA can reduce the capacity and run time of less efficient power plants and avoid the need to expand the electric grid's capacity. As LIPA operates on a not-for-profit basis, those savings are then passed on to customers under this program.

Under the TOD Rate, customers will also have the ability to save even more money and support a cleaner electric grid by making small changes in their daily routine by conducting energy-intensive activities – such as doing laundry or charging electric cars – in off-peak hours. For instance, a customer on the TOD Rate could save approximately \$4 per month by doing their laundry and \$43 per month by charging their electric vehicle during off-peak hours.

To help customers transition to the new plan, LIPA is offering a one-year Bill Protection Guarantee for a customer's first year on the TOD Rate (or Super Off-Peak Rate). If a customer's electric bill on the TOD Rate (or Super Off-Peak Rate) is higher after 12 months than it would have been under the Flat Rate, LIPA will automatically refund (in the form of a bill credit) the difference for the entire 12-month period.

LIPA previously held two public hearings in Nassau County and Suffolk County and members of the public also had the opportunity to speak in front of the LIPA Board of Trustees at its regularly scheduled meetings. Additionally, written comments were accepted and provided to the Board for consideration before today's vote. Those comments are available to the public on LIPA's website.

For more information, please visit <https://www.lipower.org/time-of-day/>.

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ABOUT LIPA

LIPA is a not-for-profit public utility with a purpose to serve our customers and community by providing clean, reliable, and affordable energy to Long Island and the Rockaways. LIPA contracts with PSEG Long Island to manage its electric system to performance standards specified by its Board of Trustees under a four-year contract.

ABOUT THE LIPA BOARD OF TRUSTEES

LIPA is governed by a local Board of Trustees consisting of customers. The Board supervises, regulates, and sets policy for LIPA. The Board consists of nine Long Island and Rockaway residents appointed by New York's elected officials. The Trustees are not compensated for their service and serve for staggered four-year terms.

ABOUT PSEG LONG ISLAND

PSEG Long Island operates the Long Island Power Authority's transmission and distribution system under a long-term contract. PSEG Long Island is a subsidiary of Public Service Enterprise Group Inc. (PSEG) (NYSE:PEG), a publicly traded diversified energy company.