



For Immediate Release: Wednesday, November 12, 2025

LIPA's 2026 Budget Proposal Decreases Customer Bills, Prioritizes Affordability

Uniondale, NY – The Long Island Power Authority (LIPA) today announced its [proposed 2026 budget](#), which delivers stable electric rates, including a projected 3.3% decrease in the average residential customer electric bill. At a time when utility customers across the country are facing increasingly higher costs, LIPA's proposed 2026 budget holds the line on spending.

Carrie Meek Gallagher, Chief Executive Officer of LIPA, said, “This budget lays the foundation for success in future years under our extended contract with PSEG Long Island. By focusing on reliability, affordability, and increasingly clean energy, we’re maintaining a financially disciplined approach to operations while positioning LIPA to meet the challenges of the next decade with a stronger, more resilient grid.”

The 2026 proposed budget is the first developed under LIPA's five-year contract extension with PSEG Long Island, which strengthens oversight, enhances cost controls, and reduces management fees by an estimated \$17 million over the life of the agreement. Under the new contract, LIPA will measure utility performance against 58 performance metrics, an increase over 2025, that maintain and increase the rigor and accountability of prior years.

Tracey Edwards, Chair of the LIPA Board of Trustees, said, “Affordability remains central to LIPA's mission. While utilities across the nation are raising rates, LIPA continues to be an outlier – protecting ratepayers by holding the line on costs, maintaining reliability, and investing in a clean energy future for Long Island.”

The proposed \$4.4 billion operating and \$1 billion capital plan underscores LIPA's commitment to reliability, affordability, and increasingly clean energy, while strengthening its partnership with PSEG Long Island under its extended service agreement.

David Lyons, Interim President and Chief Operating Officer of PSEG Long Island, said, “PSEG Long Island is proud to be in partnership with LIPA to deliver cost savings to ratepayers while continuing to be the #1 overhead electric service provider in customer satisfaction and reliability in New York State.”

Highlights of the proposed budget include:

- **Lower Customer Bills:** The typical residential customer bill in 2026 is projected to be \$6.53 (3.3%) lower than 2025 levels.
- **Record Reliability Investments:** Maintains a \$1 billion annual investment to strengthen and modernize the electric grid.
- **Advancing Clean Energy:** Supports New York's energy goals, with offshore wind, battery energy storage, and transmission upgrades, delivering thousands of megawatts of carbon-free power.

- **Stronger Management Contract:** The five-year contract extension with PSEG Long Island strengthens oversight, enhances cost controls, and delivers \$17 million in management fee savings.
- **Reduced Power Supply Costs:** Budgets for market-based energy commodities (i.e., electricity, natural gas, and fuel oil) and projects a \$219 million decrease in power supply costs.

The budget also advances the Board’s policy on fiscal sustainability, which has guided LIPA’s financial decisions since being adopted in 2015, resulting in several ratings upgrades since 2014. LIPA’s debt-to-asset ratio is projected to fall to 78% in 2025, with a goal of 70% by 2030.

Donna Mongiardo, LIPA’s Chief Financial Officer, said, “This proposed budget continues to balance affordability, reliability, and strong financial performance. We are following the Board’s financial policy to further deleverage the utility while ensuring we have the resources needed to invest in the infrastructure that keeps our system dependable and resilient.”

Upcoming Public Hearings

Members of the public are encouraged to participate in the upcoming budget hearings held across the service territory:

- **The Rockaways:** Tuesday, November 18, 2025 – 6 p.m. at the Rockaway YMCA (207 Beach 73rd Street, Arverne, NY)
- **Suffolk County:** Monday, November 24, 2025 – 10 a.m. at the H. Lee Dennison Building (100 Veterans Memorial Hwy., Hauppauge, New York)
- **Nassau County:** Monday, November 24, 2025 – 6 p.m. at LIPA headquarters (333 Earle Ovington Blvd, Suite 403, Uniondale, New York). *A virtual option is also available.*

The proposed budget and related materials can be found at lipower.org. Written comments on the proposed budget can be sent to tariffchanges@lipower.org by Friday, November 28, 2025.

The LIPA Board will vote on a final budget on Wednesday, December 17.

ABOUT THE LIPA BOARD

LIPA’s Board of Trustees consists of nine Long Island and Rockaway residents appointed by New York’s elected officials. These unpaid volunteers serve Long Island’s electric customers by delivering clean, reliable, and safe electric service at affordable rates.

The Board of Trustees adopts LIPA’s annual budget, establishes policies and priorities for the Long Island and Rockaways electric grid, oversees contractual agreements, and manages independent auditors, always acting in the best interest of LIPA’s customers.

ABOUT LIPA

LIPA is a not-for-profit public utility that aims 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 long-term contract. For more information, visit lipower.org and follow us on [LinkedIn](#).

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