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DECEMBER 18, 2025

Contact: Jeanine Dillon (631) 457-9226

LIPA Adopts 2026 Budget That Cuts Costs for Customers and Builds a Stronger Grid

Uniondale, NY – The Long Island Power Authority (LIPA) today announced the adoption of its 2026 budget, which delivers stable electric rates, including a 3.3% decrease in the average residential customer's electric bill. At a time when utility customers across the country are facing increasingly higher costs, LIPA's adopted 2026 budget prioritizes affordability and lowers bills.

Carrie Meek Gallagher, Chief Executive Officer of LIPA, said,

"The 2026 budget delivers on LIPA's promise to provide reliable, affordable, and increasingly clean energy for Long Island. This adopted budget strengthens our foundation for the future under the new agreement with PSEG Long Island, ensuring customers benefit from both cost savings and a resilient electric grid. By maintaining fiscal discipline, we're creating the financial flexibility needed to invest in the technologies that will power our region for decades to come."

The adopted 2026 budget is the first developed under LIPA's five-year contract extension with PSEG Long Island, which strengthens oversight, enhances cost controls, and delivers \$17 million in management fee savings over the life of the agreement. Under the new contract, LIPA measures utility performance against 58 performance metrics, maintaining and increasing the rigor and accountability of prior years.

Tracey Edwards, Chair of the LIPA Board of Trustees, said,

"With this adopted budget, the Board has reaffirmed its commitment to affordability and reliability for every LIPA customer. Even as costs rise nationwide, LIPA is once again leading with stability and smart investment. This budget ensures that Long Islanders have a dependable grid at an affordable price."

The adopted \$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 the extended service agreement.

Highlights of the adopted budget include:

- **Lower Customer Bills:** The typical residential customer bill in 2026 will decrease by \$6.53 (3.3%) as compared to 2025 bills.
- **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:** The 2026 budget includes a \$219 million decrease in power supply costs for market-based energy commodities, including electricity, natural gas, and fuel oil.

The adopted budget advances the Board's policy on fiscal sustainability, which has guided LIPA's financial decisions since 2015, resulting in multiple ratings upgrades since 2014. LIPA's debt-to-asset ratio stands at 78% in 2025, with a goal of 70% by 2030.

Members of the public participated in hearings held across the service territory in November, including the Rockaways, Suffolk County, and Nassau County, where community members provided comments on the 2026 draft budget prior to its adoption.

David Lyons, Interim President and Chief Operating Officer of PSEG Long Island, said,

"PSEG Long Island is committed to partnering with LIPA to provide our customers with reliable service in the most affordable way possible. PSEG Long Island is the #1 overhead electric service provider in New York State and #1 in J.D. Power Business Satisfaction for the East Large Segment in 2025."

Pat Guidice, Business Manager of IBEW Local 1049, said,

"This year's LIPA budget brings much-needed stability to the system and reassurance to the dedicated workforce that keeps it running. The skilled men and women of IBEW Local 1049 are essential to delivering reliable service across Long Island, and ongoing support for their expertise is critical to addressing both current operational needs and the demands of the future."

Adrienne Esposito, Executive Director, Citizens Campaign for the Environment, said,

"It is critical that LIPA continues to be an active partner in advancing clean renewable energy on Long Island, and the 2026 budget does just that. The budget supports offshore wind, needed battery storage and investments in our grid so that we can advance clean energy and healthier communities. We are delighted that to see LIPA adopt a plan that prioritizes affordability while advancing real climate solutions."

John Durso, President, Long Island Federation of Labor, said,

"We are glad to see LIPA's commitment to stability, affordability, and progress for every household, including the union families we represent across Long Island. Budgets are a statement of our priorities and LIPA's adopted budget makes clear that reliability and affordability are foundational to how we move forward."



Kyle Strober, Executive Director, Association for a Better Long Island, said,

"Reliable, affordable energy is essential for economic growth, and this adopted budget delivers both. By maintaining stability in customer bills and investing in the resilience of the electric grid, a crucial consideration given the increase in severe weather, LIPA is helping create an environment where businesses can expand with confidence."

Theresa Regnante, President and CEO, United Way of Long Island, said,

LIPA's budget provides meaningful relief to families who are struggling with the rising cost of living. Keeping energy bills down is critical for vulnerable Long Islanders, and this budget reflects a strong commitment to their well-being with a \$31 million investment in the low-income discount program that will support approximately 50,000 households."

The adopted 2026 budget and related materials are available at lipower.org.

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.

For more information, [2026 Approved Budget](#)

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