

Fact Sheet: LIPA 2026 Budget as Compared to 2025

The development of the Long Island Power Authority’s (LIPA) annual budget starts with our Board of Trustees, who define our purpose and vision and set expectations for the strategic outcomes management is expected to achieve within the core functions of the utility. The Proposed 2026 Budget reflects months of effort by LIPA, and its service provider, PSEG Long Island, starting with initial budget and performance metric proposal reviews and resulting in a detailed line-item and project-level budget report that maximizes cost saving opportunities and federal funding where applicable.

The Proposed 2026 Budget consists of an **Operating Budget of \$4.4 billion** and a **Capital Budget of \$1.2 billion**, remaining relatively flat from the 2025 Budget, and projects a decrease in the typical residential average customer bill of \$ \$6.53 (-3.3%) as compared to the 2025 projected actual bill.

A key component of LIPA’s Board policy on Fiscal Sustainability seeks to provide customers, investors, and stakeholders with timely, transparent, accurate, and useful information to evaluate LIPA’s financial performance and plans. In keeping with Board policy, LIPA is participating in New York State’s recommendation to provide a one-page summary of our 2026 Budget as compared to 2025, and the projected impact on customer bills.

Average Residential Monthly Bill Impact

Components	2025 Budget	2025 Projected Actual	2026 Budget	2025 Projected Actual vs. Proposed 2026
Delivery & System	\$96.55	\$96.42	\$99.54	\$3.12
Power Supply	85.20	89.55	80.91	(8.64)
Distributed Energy Resources	4.04	4.04	4.38	0.34
Taxes, PILOTS, Assessments	8.39	8.52	8.48	(0.04)
Merchant Function Charge	1.36	1.36	1.27	(0.09)
Revenue Credit	(1.56)	(1.56)	(1.14)	0.42
Typical Average Residential Bill Assuming No Change in Customer Usage	\$193.98	\$198.33	\$193.44	(4.89)
Increased/Decreased Usage	0.00	0.50	(1.14)	(1.64)
Typical Average Residential Bill	\$193.98	\$198.83	\$192.30	(\$6.53)
Percent Decrease				-3.3%

Operating Budget

Operating Budget (\$000)	2025 Budget	2026 Budget	2025 vs 2026
Power Supply Costs	\$2,068,435	\$1,977,335	\$(91,100)
T&D & Construction Operations Services	243,575	235,170	(8,406)
Customer Services	127,939	126,476	(1,463)
Energy Efficiency & Utility 2.0	109,614	101,917	(7,697)
Information Technology & Cybersecurity	109,490	119,390	9,901
Storm Restoration	83,500	82,000	(1,500)
LIPA Operating & Managed Costs	117,265	121,788	4,523
All Other Delivery Costs	149,544	155,320	5,776
PILOTs, Taxes & Fees	350,907	357,300	6,393
Debt Service and Coverage	1,066,134	1,110,949	44,815
Total Operating Budget	\$4,426,402	\$4,387,643	(\$38,758)
Percent Decrease			-0.9%

Revenue Budget

Revenue Budget (\$000)	2025 Budget	2026 Budget	2025 vs 2026
Residential (Gross)	\$2,329,404	\$2,351,081	\$21,677
Bill Assistance Programs	(25,103)	(30,222)	(5,119)
Residential (Net)	2,304,301	2,320,859	16,558
Commercial	1,960,184	1,912,184	(48,000)
Other Public Authorities/ Street Lighting	72,570	69,885	(2,685)
Miscellaneous Revenues and Other Income	66,401	62,382	(4,019)
Grant Income	22,945	22,333	(612)
Total Revenue & Income	\$4,426,402	\$4,387,643	(\$38,758)
Percent Decrease			-0.9%

Capital Budget

Capital Budget (\$000)	2025 Budget	2026 Budget	2025 vs 2026
Transmission and Distribution Projects	\$619,288	\$677,533	\$58,245
Information Technology Projects	89,053	70,621	(18,432)
Other General Plant Projects	58,009	68,822	10,813
All Other Capital Projects	6,574	205,871	199,297
FEMA & PSEG Long Island Storm Hardening	89,409	157,347	67,938
Total Capital Budget	\$862,334	\$1,180,194	\$317,860
Percent Increase			36.9%

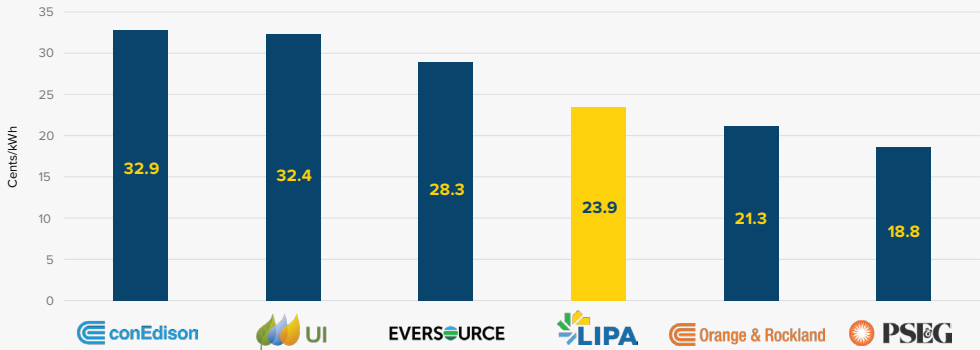
Funding Sources for Capital Budget

Funding Sources for Capital Budget (\$000)	2025 Budget	2026 Budget	2025 vs 2026
Funding from Operating Budget	\$304,835	\$325,419	\$20,584
FEMA Mitigation Grants	33,009	137,708	104,698
Debt Issued to Fund Projects	524,490	717,067	192,577
Total Funding Sources	\$862,334	\$1,180,194	\$317,860
Percent Increase			36.9%

Budget Highlights:

- Total operating revenue is expected to decrease by \$36.0 million (0.8%), resulting in a total 2026 budgeted revenue of \$4.30 billion, compared to \$4.34 billion in 2025.
- Power supply costs are decreasing \$219 million in the 2026 budget due primarily to a decrease in commodity costs with less on-island generation.
- The typical residential customer bill in 2026 is projected to be \$6.53 (-3.3%) lower than the projected actual bill in 2025 due to lower power supply costs and decreased customer usage.

Regionally Comparable Rates



The average LIPA residential bill remains below the rate of inflation

