



LIPA Community Advisory Board

September 17, 2026



Discussion Topics

Opening Remarks & LIPA Highlights

Carrie Meek Gallagher, Chief Executive Officer, LIPA

2027 Integrated Resource Plan Update

Gary Stephensen, LIPA Senior Vice President, Power Supply

2027 Budget Development Process

Donna Mongiardo, Chief Financial Officer, LIPA

PSEG Long Island Update Energy Efficiency Programs Presentation

Scott Jennings, President and Chief Operating Officer (COO), PSEG Long Island

Alex Valentino, Energy Efficiency and Renewables Director, PSEG Long Island

Roundtable Discussion

Carrie Meek Gallagher, Chief Executive Officer, LIPA

Opening Remarks & LIPA Highlights

- **2026 Rating Agency Update**
- **2026 Supplier Diversity Procurement**
- **LIPA Happenings**



Carrie Meek Gallagher
LIPA CEO

LIPA Outlook is **Positive**

Independent rating agencies recognize LIPA's continued financial strength and stability.

MOODY'S

A2

Positive Outlook 

Fitch Ratings

A+

Stable Outlook 

S&P Global

A

Stable Outlook 

Moody's revised LIPA's Outlook to Positive, while Fitch and S&P affirmed their ratings.

LIPA Success Story - NYS MWBE Report Card 'A+' Grade

- Empire State Development's Division of Minority and Women's Business Development oversees MWBE performance across New York State agencies and authorities under Executive Law Article 15-A.
- ESD releases semi-annual MWBE Report Cards to assess each organization's MWBE program effectiveness.
- Report card results evaluate MWBE goal plans, submission of quarterly utilization reports, EEO reporting, and overall MWBE utilization performance, and outreach.
- The report cards provide visibility into how effectively organizations are incorporating NYS-certified MWBEs into contracting and procurement activities.
- **LIPA's latest Semi-Annual Grade: A+; Annual Average: A**



Latest NYS MWBE Report Card

What Drives LIPA's MWBE Program Success

- Active identification and promotion of MWBE contracting opportunities.
- Community Outreach & Engagement – Participation in MWBE forums, expos, conferences, and networking events to connect with MWBE firms, increase awareness of contracting opportunities, and strengthen the supplier pipeline.
- Integration of MWBE requirements throughout the procurement lifecycle.
- Consistent monitoring of utilization, expenditures and contractor commitments for LIPA and PSEG Long Island.
- Timely and accurate State reporting and compliance.
- Ongoing coordination with business units, contractors and certified MWBE firms.

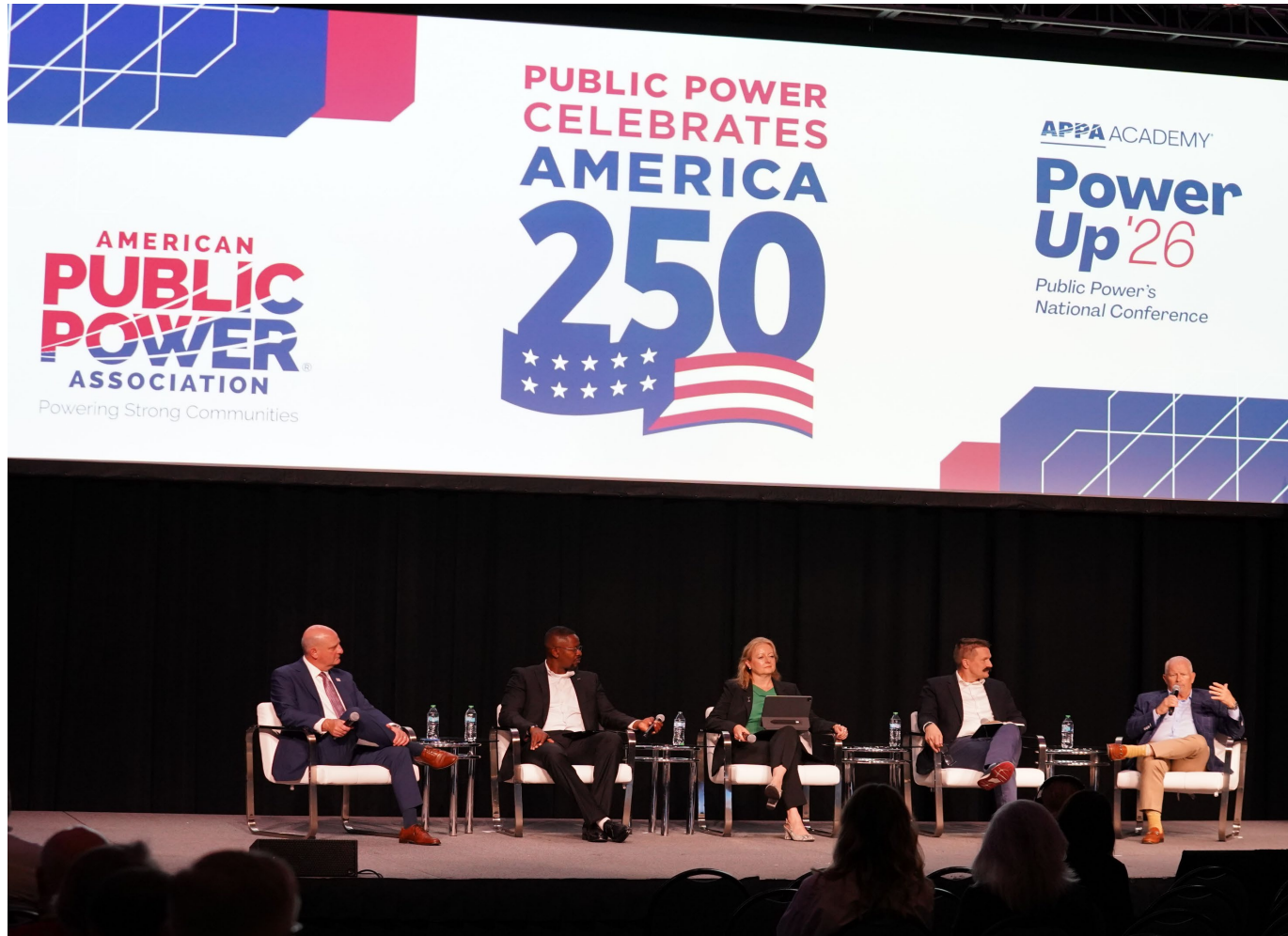


Program Leadership

Procurement Manager **Rosa Rhoden** leads and manages LIPA's MWBE Program.

The "A" grade is a testament to Rosa's dedicated program management, attention to compliance, and continued efforts to strengthen MWBE participation across LIPA and PSEG Long Island's procurements.

LIPA Happenings



*LIPA CEO Carrie Meek Gallagher joined public power leaders from across the country at the **APPA Power Up 26 Conference** in Boston. Carrie shared LIPA's perspective on the evolving energy landscape and the importance of balancing reliability and affordability as the electric grid prepares for the future. Her participation highlighted LIPA's continued commitment to collaboration, innovation, and learning from public power peers nationwide.*

...And More LIPA Happenings

United Way of Long Island and LIPA recently announced the 30 recipients of the 2025–2026 LIPA Dreams for Youth Scholarships, recognizing an exceptional group of students from 25 Long Island communities who demonstrated academic achievement, leadership, resilience, and a commitment to serving their neighbors. The \$50,000 in scholarship funding helps students pursue higher education in STEM, energy and skilled trades.



...Even More LIPA Happenings

AEIC Conference - AEIC is the one place where utility leaders rise to challenges, accelerate opportunities, and achieve excellence across the generation, transmission, distribution, and usage of electric power.



2027 Integrated Resource Plan Update

Gary Stephensen, LIPA Senior Vice President, Power Supply

Curt Dahl, PSEG Long Island, Vice President, Power System Management

2027 Integrated Resource Plan (IRP) Overview

In June 2026, LIPA and PSEG Long Island kicked off the 2027 Integrated Resource Plan (IRP), which will:

- Cover a 13-year planning horizon (2027–2039)
- Evaluate resource portfolios and scenarios to assess potential benefits, impacts, and risks
- Deliver an action plan to provide reliable, affordable, sustainable energy for the future

Modeling Scenarios:

Existing Trajectory

No new additions beyond committed resources; identifies timing of reliability gaps

Clean Resources

Emphasizes renewables, storage and demand-side reductions

Least Cost

Prioritizes economic efficiency across all resource options

Hybrid Approach

Combines clean energy expansion with selective new dispatchable generation

Integrated Resource Plan Outreach Process

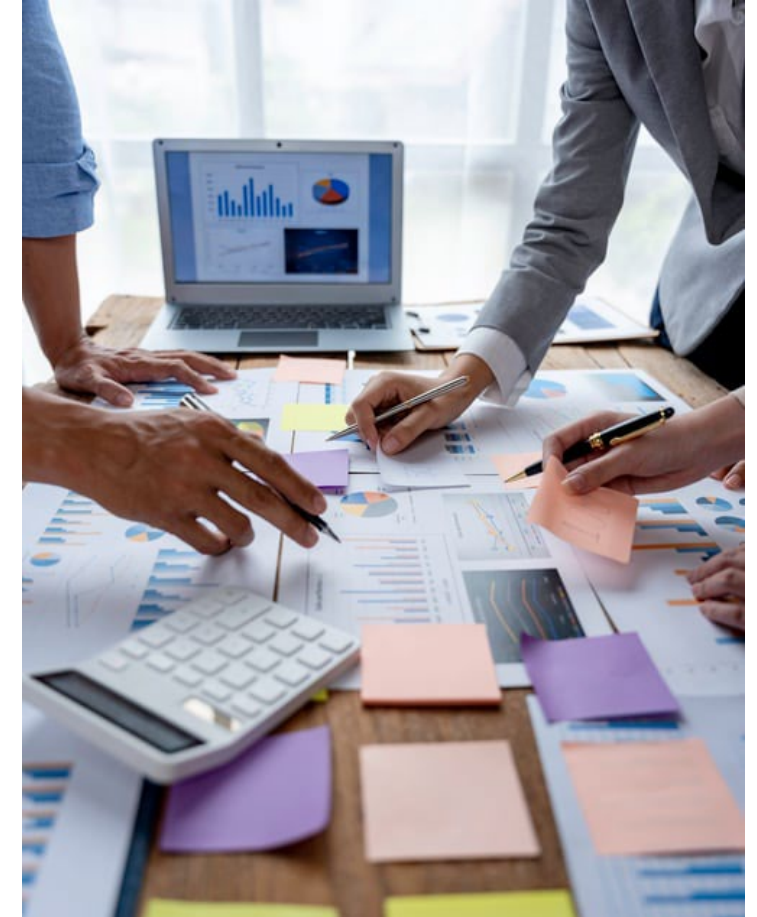
- To start the 2027 IRP process, LIPA and PSEG Long Island initiated outreach to key stakeholders through briefings, direct communications, email notifications and press releases, emphasizing the importance of stakeholder awareness, engagement, and participation throughout the IRP process.
- To provide a central source of information and facilitate public participation throughout the development of the IRP, LIPA and PSEG Long Island established LIResourcePlan.com, a dedicated website for the 2027 IRP.
- LIPA and PSEG Long Island invited public input through a formal comment period from May 20th through June 30th that included in-person and virtual public comment sessions in Nassau County, Suffolk County, and the Rockaways.
- The public comment period generated 22 formal submissions from elected officials, business and labor organizations, environmental and clean energy advocates, industry suppliers, and individual ratepayers.

2027 Budget Development Process

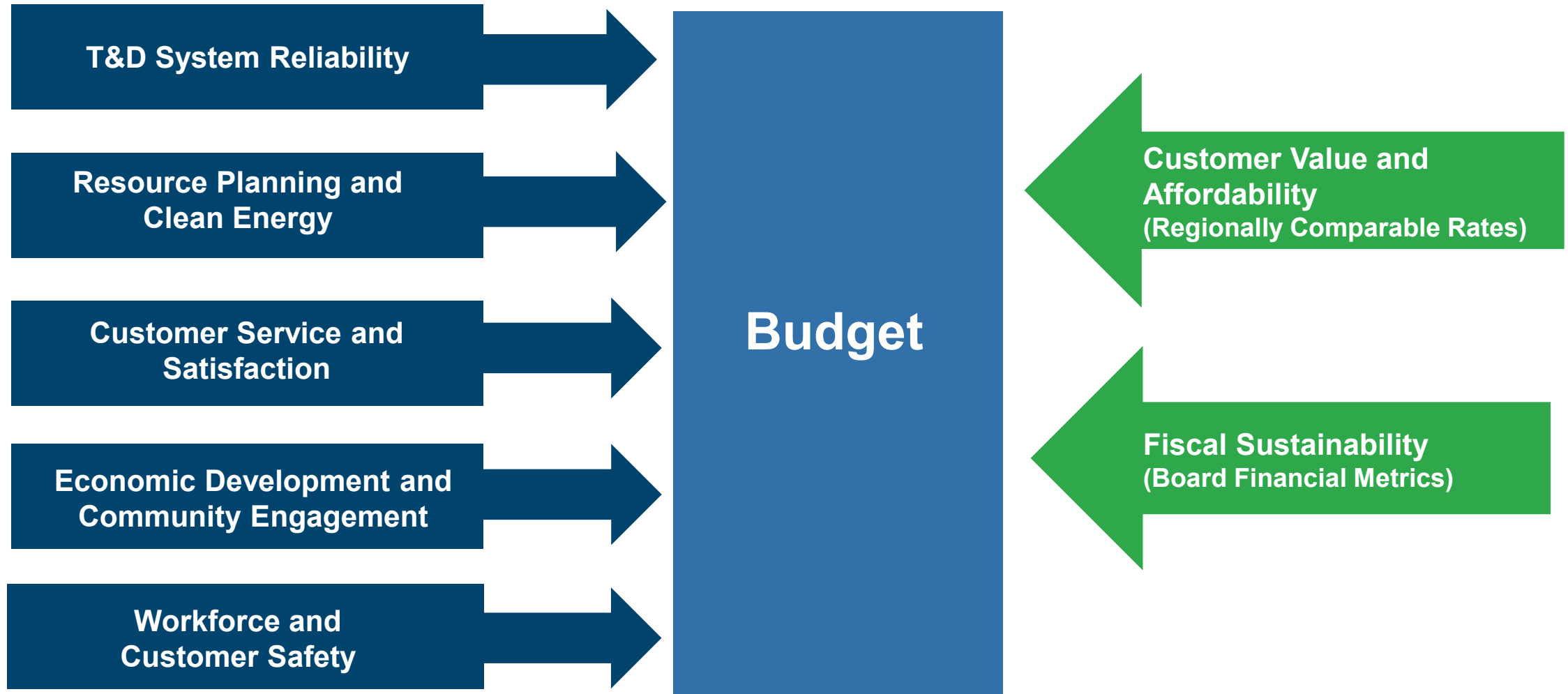
Donna Mongiardo, Chief Financial Officer, LIPA

Overview of Joint LIPA & PSEGLI Budget Planning

- Budget Planning for 2027 is meant to achieve budget targets through a **value-added focus**, improving efficient spending via process optimization, cost-containment measures, and investing capital strategically in customer-centric projects that enhance grid reliability, improve efficiency, and promote long-term cost savings for our customers. This approach ensures we deliver **safe, reliable, clean, and affordable energy** to our customers while optimizing our resource allocation.
- Align on key priorities and objectives for 2027 and beyond by evaluating functions to identify opportunities for cost reduction and improved efficiencies.
- **LIPA Act:** An increase exceeding 2.50% would require a rate case for submission to DPS (excludes Power Supply Costs).



2027 Board Policies and Objectives



2027 Budget Development Process

✓ **Operation & Maintenance (O&M) Investments and Efficiencies**

- PSEGLI documents proposed cost center budgets and work plans based on Board Objectives for LIPA review and approval.

✓ **Capital Strategies**

- Discuss and align on prioritization framework
- PSEGLI prioritizes capital spending based on the framework
- Joint evaluation of projects:
 - Impact to service and goals
 - Return on investment with future savings
- Document final proposed budget for capital projects for LIPA review and approval.

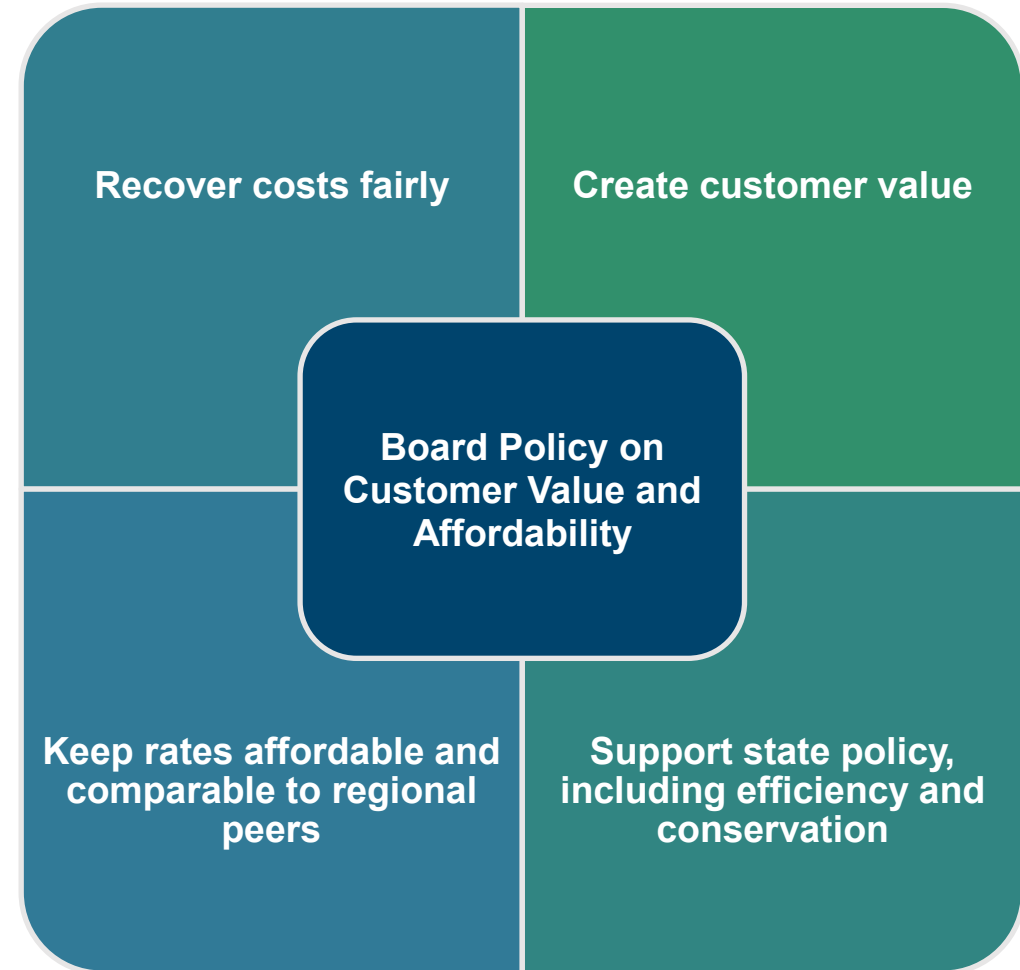
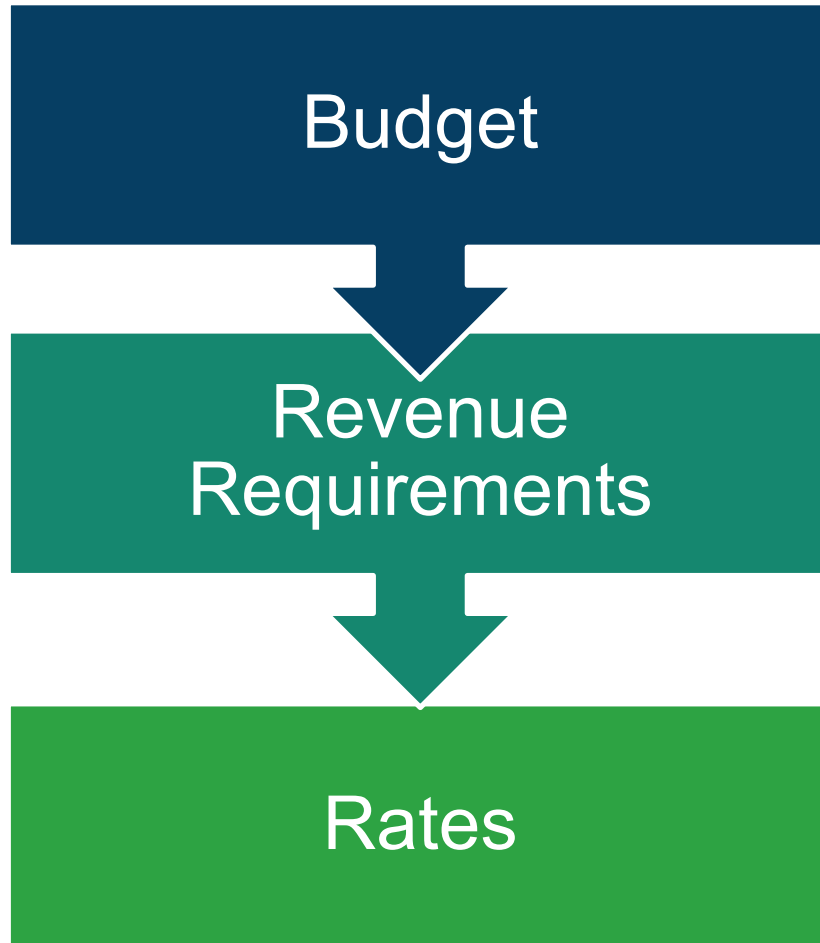
✓ **Power Supply Costs**

- Based on normal weather; sales forecast incorporated
- Budget incorporates known information (outages, interface constraints, etc.), historical data, and new budget assumptions (new transmission and generation projects, fuel prices, etc.)

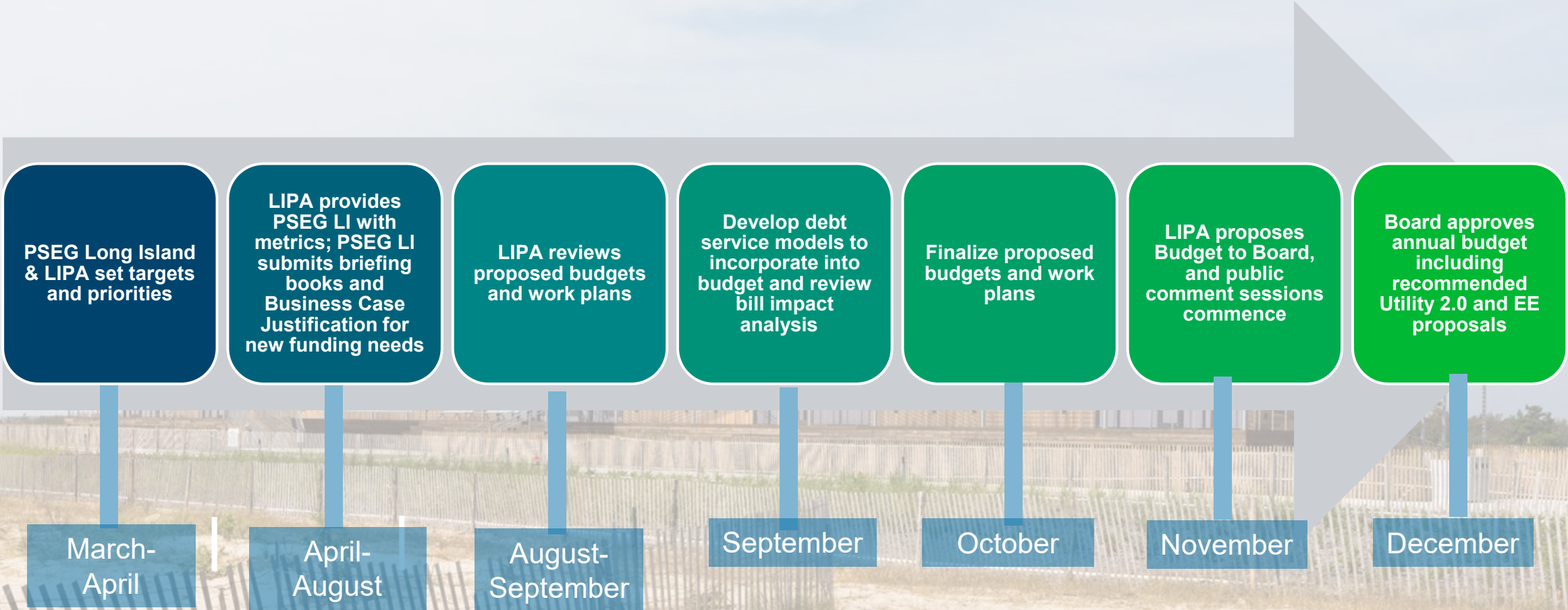
✓ **Annual Performance Metrics**

- Ensure aligns with LIPA's Board Policies and Strategic objectives
- Budget incorporates sufficient funding for achievement by PSEG Long Island

Setting Rates Inputs



2027 Budget Timeline





2026 Utility 2.0 Plan and Building Efficiency & Electrification Annual Update

Alex Valentino, PSEG Long Island Director of Energy Efficiency and Renewables

August 2026



PSEG Long Island

Alex Valentino

Director of Energy Efficiency and Renewables



Resources:

[2026 Utility 2.0 Plan Update \(dps.ny.gov\)](https://www.dps.ny.gov/energy_delivery/2026/2026_Utility_2.0_Plan_Update) : [Matter 14-01299](#)

[PSEG Long Island 2026 Annual Update to the Utility 2.0 Long Range Plan & Energy Efficiency and Demand Response \(www.psegliny.com\)](https://www.psegliny.com/2026-Utility-2.0-Plan-Update)

Agenda

- 01** Utility 2.0 and BEE Plan Overview
- 02** PSEG Long Island's Utility 2.0 Vision
- 03** 2027 Utility 2.0 and BEE Total Funding Request
- 04** Demand Flexibility & DER Updates
- 05** Transportation Electrification Updates
- 06** Building Efficiency & Electrification Updates

2026 Utility 2.0 Filing and BEE Plan Overview

Objectives: To help meet Long Island's growing energy needs, PSEG Long Island's Utility 2.0 and BEE programs support affordable, reliable, and resilient energy solutions for its customers.

2026 Utility 2.0 and Building Efficiency & Electrification (BEE) Plan: This year's Plan includes accomplishments to date, one-year program outlooks, and a proposal for one new initiative – the **Utility 2.0 Residential Active Managed Charging Pilot**. Chapters in the Plan are aligned to the following focus areas:

- Demand Flexibility and Distributed Energy Resources (DERs)
- Transportation Electrification (TE)
- Building Efficiency and Electrification (BEE)
- Digital Enablement (IEDR Platform)

Budget¹:

- Utility 2.0 Portfolio Budget: **\$22 M** (\$4 M CAPEX; \$18 M O&M)
- BEE Portfolio Budget: **\$80 M**
- Total: **\$102 M**

¹ Budgetary values are rounded to the nearest whole number

The 2027 Utility 2.0 vision has adapted to meet evolving state and Long Island priorities

- **Added focus on changing system needs**, including capacity growth and demand flexibility.
- **Connected NYS priorities** (clean energy, reliability, affordability) **to the Filing's three priority areas** (Demand Flexibility & DERs, TE, and BEE).

PSEG Long Island's Utility 2.0 Vision (Updated 2026)

PSEG Long Island's Utility 2.0 vision advances **statewide clean energy goals** and priorities by establishing **grid flexibility, distributed energy resources, energy efficiency, and building and transportation electrification** as integrated system tools to support grid modernization and reliable, resilient, and affordable electric service. Utility 2.0 is committed to **managing capacity concerns through program design and targeted incentives that enhance customer satisfaction while ensuring equitable access** and benefits for all customers, including disadvantaged and income-constrained households.

Utility 2.0 and BEE Budget Estimates

PSEG Long Island requests a total of **\$21.92 million** in Utility 2.0 funding (**\$3.51 million** in **Capital** and **\$18.41 million** in O&M) for **7** active and **1** proposed initiative in 2027.

Focus Area	Initiative Name	2026 Initiative Status	2027 Capital (\$M)	2027 O&M (\$M)	2027 Total (\$M)
Demand Flexibility	DLM Tariff and Flexibility Programs	Active	0.00	7.50	7.50
	Demand Flexibility Total		0.00	7.50	7.50
Transportation Electrification	Fleet Make-Ready Program	Active	0.25	1.17	1.41
	EV Make-Ready Program	Active	0.97	6.50	7.47
	Residential Charger Rebate Program	Active	0.00	0.60	0.60
	DCFC Incentive Program	Active	0.00	0.05	0.05
	EV Phase-In Rate	Active	0.27	0.00	0.27
	Managed Charging Pilot Program	Proposed	0.00	2.00	2.00
	Transportation Electrification Total		1.49	10.56²	12.05
Digital Enablement	IEDR Platform	Active	2.01	0.35	2.36
	Digital Enablement Total		2.01	0.35	2.36
Total Utility 2.0 Programs			3.51	18.41	21.92
Total BEE Programs			0.00	80.44	80.44
Total Utility 2.0 and BEE¹			3.51	98.85	102.36

¹ The Total Utility 2.0 and BEE budget reflects budget to support the direct implementation and management for the Utility 2.0 and BEE initiatives and is not encompassing of all PSEGLI EE/RE Departmental costs.

² The 2027 TE O&M total also includes budgetary support for marketing and outreach efforts (\$0.25M), which are all encompassing across the TE focus area and as a result are not allocated to a specific sub-project. Thus, the Transportation Electrification O&M Totals do not equal the sum of the sub-project O&M Totals.



Demand Flexibility & DER Updates



Demand Flexibility – 2027 Notable Changes

For 2027, PSEG Long Island intends to prioritize enhancing marketing strategies for every Demand Flexibility and Demand Response offering.



Direct Load Control (Smart Savers Thermostat) Program

- **Incorporate dynamic loading shaping (DLS)** to normalize hourly participation in Smart Savers by leveraging smart thermostat capabilities to learn customer preferences and tailor thermostat adjustments accordingly with a staggered dispatch to increase consistency and reliability of load savings.



Direct Load Control (BYOB) Program

- Integrate the **BYOB¹ Program into the DLC Program** rather than CSRP² / DLRP³ to better align energy storage technology applications with the operational design and dispatch framework of the DLC Program.



CSRP / DLRP (Demand Response)

- Focus on **strengthening trade-ally engagement** and targeting **process improvements** to expand participation.



Other Demand Flexibility Support *(proposed new for 2027)*

- **Background VPP Capability** – Introduce customer opt-in based virtual power plant (VPP) program to support peak-load control via smart thermostat micro-adjustments.
- **TOD Daily Thermostat Optimization Initiative** – Coordinate with smart thermostat OEM providers to drive additional voluntary customer enrollment in programs that automate daily load shifting aligned with TOD rates.

¹BYOB: Bring Your Own Battery

²CSRP: Commercial System Relief Program

³DLRP: Distribution Load Relief Program



Transportation Electrification Updates



Transportation Electrification – 2027 Notable Changes



EV Make-Ready (Public Charging)

- **Changes in data collection** driven by PSC¹ order
 - Near-term vendor procurement is underway while long-term AMI²/NSP³ solutions are evaluated.
- 2027 port targets have been **right-sized to reflect current market utilization** (100 L2; 125 DCFC).



Fleet Make-Ready

- Incentive structure **shifts from \$/project to \$/port**, simplifying program design and better aligning incentives with actual charger deployment.
- **2027 targets are reset** to 50 L2 and 15 DCFC ports to reflect realistic fleet conversion timelines and observed market conditions



EV Program

- **Residential Active Managed Charging Pilot** to launch in Q1 2027; vendor selection currently underway via RFP.
- **EV Phase-In Rate** implementation to conclude in Q1 2027, enabling customer participation for Rate 281 customers.
 - **DC Fast Charging (DCFC) Incentive Program** to sunset concurrently with customer eligibility transition.

¹PSC: Public Service Commission

²AMI: Advanced Metering Infrastructure

³NSP: Network Service Provider



Building Efficiency & Electrification Updates



Building Efficiency & Electrification (BEE) Portfolio

May 2025 PSC Orders Guidance	PSEGLI's 2027 Portfolio
Target a minimum of 80% of annual budget for Money out the Door (MOTD) ¹ EE/BE spending by 2030	76% of annual BEE budget serving customers as MOTD
EE/BE budget ▪ ≥25% on Weatherization (Small Res) ▪ ≤50% on Heat Pumps ▪ 30% for Low-to-Moderate Income (LMI) customers	BEE budget ▪ 29% on Weatherization ▪ 1,400 to 1,900 Dwellings to be Weatherized² ▪ 50% on Heat Pumps ▪ 4,085 Single Family Dwellings with Heat Pumps ▪ 1,458 Multifamily Dwellings with Heat Pumps ▪ 38% of MOTD allocated for LMI customers
≥85% of budget for Strategic measures , up to 15% Neutral	99% of budget for Strategic Measures , 1% for Neutral
No ratepayer funds to rebate Lighting (Res and non-Res), Appliances , and Home Energy Reports	Excludes Lighting, Appliances, and Home Energy reports (Per NYSERDA guidance, LED Lighting to be permitted for LMI customers through 2027)

Climate Leadership & Community Protection Act Requirement³

Over 50% of 2024 and 2025 spend was directly attributed to benefiting Disadvantaged Communities (DACs), **surpassing** the statewide **40% minimum and 45% goal**.

¹Money out the door (MOTD) refers to the expenditure of funds to customers in the form of rebates or incentives. PSEGLI is awaiting a more granular definition of the MOTD metric from the state and is developing a plan to closely track results.

²This is to be finalized when the NYS guidance on minimum weatherization requirements becomes available.

³May 2026 TED Budget Bill increased the DAC target from the prior “at least 35% with a goal of 40%” framework to a “minimum of 40% with a goal of 45%.”

Residential Building Electrification – 2027 Notable Changes



Home Energy Assessment Requirement

- Customers will be **required to complete an energy assessment** prior to participating in a weatherization project.



Residential Efficient Products (Smart Thermostats)

- Energy efficiency incentives will be **limited to Marketplace purchases**.
- Thermostats with Dynamic Load Management (DLM) capability to be incentivized.
 - **Automatic DLM pre-enrollment** at the point of Marketplace purchase.



Residential Income-Qualified (Low-to-Moderate Income Customers)

- Customers to receive **free energy assessment/direct-install measures**, along with \$50 bill credit.
- The Marketplace **voucher value increases to \$35**, supporting free shipping for customers.

Commercial and Multifamily Building Electrification – 2027 Notable Changes



Commercial Efficiency Program

- Rebates for Energy Efficiency and Beneficial Electrification measures, along with **enhanced incentives for DAC¹ customers**.
- Custom Program to continue for non-prescriptive measures.



Multifamily

- Dedicated Energy Consultants for **engaging with developers and landlords**.
- **Strengthen relationship** with associations (Building Owners and Management Association and Long Island Builders Institute).
- Partner with the Long Island Board of Realtors to **launch a training program** focused on building science, energy efficiency, and available incentive programs.

¹DAC: Disadvantaged Community



 **Thank**
you

Alex Valentino

Director of Energy Efficiency and Renewables

Alex.Valentino2@pseg.com



Roundtable Discussion...



Questions?

