

STATE OF NEW YORK

6530

2025-2026 Regular Sessions

IN ASSEMBLY

March 5, 2025

Introduced by M. of A. K. BROWN -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public service law, the education law, the executive law and the public authorities law, in relation to improving public service commission oversight of the Long Island power authority; and to repeal certain provisions of the public service law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 3-b of the public service law is REPEALED.

2 § 2. Section 5 of the public service law is amended by adding a new
3 subdivision 7 to read as follows:

4 7. a. For purposes of this subdivision:

5 i. "Authority" means the Long Island power authority.

6 ii. "Service provider" means the entity under contract with the
7 authority to provide management and operation services associated with
8 the authority's electric transmission and distribution system and any
9 subsidiary of such entity that provides such services under contract.
10 However, the service provider and any affiliate of the service provider
11 with whom the authority or service provider contracts to provide
12 services associated with the authority's electric transmission and
13 distribution system shall not be considered an electric corporation
14 under this chapter.

15 iii. "Operations services agreement" means an agreement and any amend-
16 ments thereto between the Long Island lighting company dba LIPA or the
17 Long Island power authority and the service provider to provide manage-
18 ment and operation services associated with the authority's electric
19 transmission and distribution system.

20 b. i. In undertaking the requirements of this section, subject to
21 subdivisions (u) and (bb) through (hh) of section one thousand twenty-f
22 of the public authorities law, the department shall be empowered and

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 authorized to: Review and make recommendations to the board of the Long
2 Island power authority with respect to the rates and charges, including
3 charges related to energy efficiency and renewable energy programs, to
4 be established by the authority and become applicable on or after Janu-
5 ary first, two thousand sixteen pursuant to subdivision (u) of section
6 one thousand twenty-f of the public authorities law.

7 ii. The purpose of such review is to make recommendations designed to
8 ensure that the authority and the service provider provide safe and
9 adequate transmission and distribution service at rates set at the
10 lowest level consistent with sound fiscal operating practices.

11 iii. The department's recommendations shall be designed to be consist-
12 ent with ensuring that the revenue requirements related to such rate
13 review are sufficient to satisfy the authority's obligations with
14 respect to its bonds, notes and all other contracts.

15 iv. In the context of such review, the department may make recommenda-
16 tions with regard to the compensation or fee structure included within
17 the operations services agreement.

18 v. In undertaking such review and in making recommendations related to
19 the proposed rates and charges, the department shall establish stand-
20 ards, policies and procedures that, at a minimum, provide for public
21 statement and evidentiary hearings and participation of intervenors and
22 other parties, and ensure that any final recommendations related to the
23 proposed rates and charges are provided to the authority within two
24 hundred forty days of the filing with the department of such plan.

25 vi. The parties to any such rate review proceeding shall include, but
26 not be limited to, department staff, the authority, the service provider
27 and, to the extent it deems necessary or appropriate, the utility inter-
28 vention unit.

29 c. Review the annual capital expenditures proposed by the service
30 provider and recommend such improvement in the manufacture, conveying,
31 transportation, distribution or supply of electricity, or in the methods
32 employed by the service provider as in the department's judgment allows
33 for safe and adequate service.

34 d. Annually review the emergency response plan of the authority and
35 the service provider in accordance with the following requirements:

36 i. Examine and determine whether the emergency response plan is
37 consistent with the requirements of paragraph (a) of subdivision twen-
38 ty-one of section sixty-six of this chapter and any regulations or
39 orders promulgated thereto, and to recommend amendments of same; and

40 ii. Review and make recommendations to the authority with respect to
41 the performance of the service provider in restoring service or other-
42 wise meeting the requirements of the emergency response plan during an
43 emergency event, defined for purposes of this section as an event where
44 widespread outages have occurred in the authority's service territory
45 due to a storm or other causes beyond the control of the authority and
46 its service provider, including making determinations with respect to
47 whether the service provider is reasonably able to implement the emer-
48 gency response plan, whether the length of any outages related to such
49 emergency were materially longer than they would otherwise have been
50 because the service provider failed to reasonably implement the emergen-
51 cy response plan, the reasonableness of costs associated with such emer-
52 gency response, the costs, if any, that were unreasonably and imprudent-
53 ly incurred by the service provider, and whether the service provider
54 would be liable for any such costs pursuant to the terms and conditions
55 of the operations services agreement.

1 e. Upon notification to the Long Island power authority, undertake a
2 comprehensive and regular management and operations audit of the author-
3 ity and service provider pursuant to subdivision (bb) of section one
4 thousand twenty-f of the public authorities law. The department shall
5 have discretion to have such an audit performed by its staff, or by an
6 independent contractor. In every case in which an audit is required
7 pursuant to subdivision (bb) of section one thousand twenty-f of the
8 public authorities law performed by an independent auditor, the depart-
9 ment shall have the authority to select the auditor, and to require the
10 authority to enter into a contract with the auditor that is consistent
11 with the contracting-related requirements specified in subdivision nine-
12 teen of section sixty-six of this chapter and the requirements of subdi-
13 vision (bb) of section one thousand twenty-f of the public authorities
14 law. Such contract shall provide further that the auditor shall work for
15 and under the direction of the department according to such terms as the
16 department may determine are necessary and reasonable.

17 f. Accept, investigate, mediate to resolve and make recommendations to
18 the Long Island power authority and/or the service provider regarding
19 the resolution of complaints from consumers in the authority's service
20 territory relating to, among other things, the provision of electric
21 service provided by the service provider and/or the authority.

22 g. Review the net metering program implemented under subdivision (h)
23 of section one thousand twenty-g of the public authorities law and make
24 recommendations designed to ensure consistency with the requirements of
25 sections sixty-six-j and sixty-six-l of this chapter, and any regu-
26 lations and orders adopted thereto.

27 h. Review and make recommendations with respect to any proposed plan
28 submitted by the Long Island power authority and/or the service provider
29 related to implementation of energy efficiency measures, distributed
30 generation or advanced grid technology programs having the purpose of
31 providing customers with tools to more efficiently and effectively
32 manage their energy usage and utility bills, and improving system reli-
33 ability and power quality.

34 i. Review the data, information and reports submitted pursuant to
35 subdivision (hh) of section one thousand twenty-f of the public authori-
36 ties law and other pertinent information related to the metrics in the
37 operations services agreement, the Long Island power authority's evalu-
38 ation of such data, information and reports, and make recommendations to
39 the authority with respect to the service provider's annual incentive-
40 based compensation within thirty days of receipt of such evaluation and
41 information.

42 j. To undertake the requirements of this subdivision, the department
43 shall be authorized to inspect all premises and facilities owned or
44 operated by the authority and the service provider, review all books and
45 records of the authority and the service provider, interview all appro-
46 priate personnel, and require annual reporting consistent with the
47 requirements of subdivision six of section sixty-six of this chapter and
48 any regulations and orders adopted thereto; provided, however, that this
49 authority shall not extend to affiliates of the service provider.

50 § 3. Subdivision l of section 7208 of the education law, as amended by
51 section 15 of part A of chapter 173 of the laws of 2013, is amended to
52 read as follows:

53 l. The practice of engineering or land surveying, or using the title
54 "engineer" or "surveyor" (i) exclusively as an officer or employee of a
55 public service corporation by rendering to such corporation such
56 services in connection with its lines and property which are subject to

1 supervision with respect to the safety and security thereof by the
2 public service commission of this state, the interstate commerce commis-
3 sion or other federal regulatory body and so long as such person is thus
4 actually and exclusively employed and no longer, or (ii) exclusively as
5 an officer or employee of the Long Island power authority or its service
6 provider, as defined under subdivision seven of section [~~three-b~~] five
7 of the public service law, by rendering to such authority or provider
8 such services in connection with its lines and property which are
9 located in such authority's service area and so long as such person is
10 thus actually and exclusively employed and no longer;

11 § 4. Subparagraph (i) of paragraph (b) of subdivision 4 of section
12 94-a of the executive law, as amended by section 12 of part A of chapter
13 173 of the laws of 2013, is amended to read as follows:

14 (i) on behalf of the secretary, initiate, intervene in, or participate
15 in any proceedings before the public service commission or the depart-
16 ment of public service, to the extent authorized by [~~sections three-b,~~
17 subdivision seven of section five or section twenty-four-a, seventy-one,
18 eighty-four or ninety-six of the public service law or any other appli-
19 cable provision of law, where [~~he or she~~] such secretary deems such
20 initiation, intervention or participation to be necessary or appropri-
21 ate;

22 § 5. Paragraph 1 of subdivision (bb) and subdivisions (ee) and (ff) of
23 section 1020-f of the public authorities law, paragraph 1 of subdivision
24 (bb) as amended and subdivisions (ee) and (ff) as added by section 7 of
25 part A of chapter 173 of the laws of 2013, are amended to read as
26 follows:

27 1. The authority and the service provider shall cooperate in the
28 undertaking and completion of a regular and comprehensive management and
29 operations audit conducted pursuant to the requirements of this subdivi-
30 sion and paragraph [~~(d)~~] e of subdivision [~~three~~] seven of section
31 [~~three-b~~] five of the public service law. Such audit shall review and
32 evaluate the overall operations and management of the authority and
33 service provider, including such operations and management in the
34 context of the authority's duty to set rates at the lowest level
35 consistent with standards and procedures provided in subdivision (u) of
36 this section, and include, but not be limited to: (i) the service
37 provider's construction and capital program planning in relation to the
38 needs of customers for reliable service; (ii) the overall efficiency of
39 the authority's and service provider's operations; (iii) the manner in
40 which the authority is meeting its debt service obligations; (iv) the
41 authority's Fuel and Purchased Power Cost Adjustment clause and recovery
42 of costs associated with such clause; (v) the authority's and service
43 provider's annual budgeting procedures and process; (vi) the applica-
44 tion, if any, of the performance metrics designated in the operations
45 services agreement and the accuracy of the data relied upon with respect
46 to such application; and (vii) the authority's compliance with debt
47 covenants.

48 (ee) On or before July first, two thousand fourteen, and annually
49 thereafter, to submit for review to the department of public service any
50 proposed plan related to implementing energy efficiency measures,
51 distributed generation or advanced grid technology programs for the
52 purpose provided pursuant to paragraph [~~(g)~~] h of subdivision [~~three~~]
53 seven of section [~~three-b~~] five of the public service law.

54 (ff) To assist and cooperate with the department of public service
55 with respect to any review undertaken pursuant to subdivision seven of
56 section [~~three-b~~] five of the public service law, including providing

1 the department with reasonable access to all facilities and premises
2 owned or operated by the authority or its service provider, allowing
3 review of all books and records of the authority and its service provid-
4 er, providing copies of requested documents, allowing interviews of all
5 appropriate personnel, and responding in a reasonable and timely manner
6 to any inquiries or reporting requests made by the department; provided,
7 however, that the obligations set forth in this subdivision shall not
8 extend to affiliates of the service provider.

9 § 6. Subdivision 1 of section 1020-s of the public authorities law, as
10 amended by section 21 of part 0 of chapter 58 of the laws of 2024, is
11 amended to read as follows:

12 1. The rates, services and practices relating to the electricity
13 generated by facilities owned or operated by the authority shall not be
14 subject to the provisions of the public service law or to regulation by,
15 or the jurisdiction of, the public service commission, except to the
16 extent (a) article seven of the public service law applies to the siting
17 and operation of a major utility transmission facility as defined there-
18 in, (b) article VIII of the public service law applies to the siting and
19 operation of a major electric generation facility or a major electric
20 transmission facility as defined therein, (c) article ten of such law
21 applies to the siting of a generating facility as defined therein, (d)
22 section eighteen-a of such law provides for assessment for certain
23 costs, property or operations, (e) to the extent that the department of
24 public service reviews and makes recommendations with respect to the
25 operations and provision of services of, and rates and budgets estab-
26 lished by, the authority pursuant to subdivision seven of section
27 [~~three-b~~] five of such law, (f) that section seventy-four of the public
28 service law applies to qualified energy storage systems within the
29 authority's jurisdiction, and (g) that section seventy-four-b of the
30 public service law applies to Long Island community choice aggregation
31 programs.

32 § 6-a. Subdivision 1 of section 1020-s of the public authorities law,
33 as amended by chapter 681 of the laws of 2021, is amended to read as
34 follows:

35 1. The rates, services and practices relating to the electricity
36 generated by facilities owned or operated by the authority shall not be
37 subject to the provisions of the public service law or to regulation by,
38 or the jurisdiction of, the public service commission, except to the
39 extent (a) article seven of the public service law applies to the siting
40 and operation of a major utility transmission facility as defined there-
41 in, (b) article ten of such law applies to the siting of a generating
42 facility as defined therein, (c) section eighteen-a of such law provides
43 for assessment for certain costs, property or operations, (d) to the
44 extent that the department of public service reviews and makes recommen-
45 dations with respect to the operations and provision of services of, and
46 rates and budgets established by, the authority pursuant to subdivision
47 seven of section [~~three-b~~] five of such law, (e) that section seventy-
48 four of the public service law applies to qualified energy storage
49 systems within the authority's jurisdiction, and (f) that section seven-
50 ty-four-b of the public service law applies to Long Island community
51 choice aggregation programs.

52 § 7. Subdivision 1-a of section 18-a of the public service law, as
53 added by section 2 of part A of chapter 173 of the laws of 2013, is
54 amended to read as follows:

55 1-a. All costs and expenses of the department related to the depart-
56 ment's responsibilities under subdivision seven of section [~~three-b~~]

1 five of this chapter shall be paid pursuant to appropriation on the
2 certification of the [~~chairman~~] chairperson of the department and upon
3 the audit and warrant of the comptroller. For the state fiscal year
4 beginning on April first, two thousand fourteen and each state fiscal
5 year thereafter, payments are to be made from all moneys collected from
6 the Long Island power authority pursuant to this section. The total of
7 such costs and expenses shall be assessed on such authority in the
8 manner provided in subdivisions two, three and four of this section.

9 § 8. This act shall take effect immediately; provided, however, that
10 the amendments to subdivision 1 of section 1020-s of the public authori-
11 ties law made by section six of this act shall be subject to the expi-
12 ration and reversion of such subdivision pursuant to section 34 of part
13 0 of chapter 58 of the laws of 2024 when upon such date the provisions
14 of section six-a of this act shall take effect.