

Suffolk County Long Island Power Authority Oversight Committee

LIPA Oversight Committee was created to analyze the rates and practices to determine if it is working in the best interests of the Suffolk County ratepayers



LIPA Spends \$33 Million to Save Nothing?

Posted on [August 4, 2011](#) by [lipaoversight](#)

This is reflective of LIPA efficiency programs in general and plainly illustrated in the change in focus of “measuring” an immeasurable reduction in kilowatts (kW) instead of kilowatt hours (kWh). These ratepayer funded “programs” are focused on Peak Shaving and nothing more- thus preserving revenues- at a cost to ratepayers of approximately \$100 million a year- over and above the other direct costs noted by Newsday. LIPA’s continued focus on demand growth will be achieved at the peril of our local economy.

Questions as LIPA fails to use Edge program

Originally published: August 3, 2011 6:41 PM

Updated: August 3, 2011 10:28 PM

By MARK HARRINGTON mark.harrington@newsday.com

Even as energy use broke a record last month, the [Long Island Power Authority](#) opted not to use a \$33-million program that allows it to trim usage through a network of 36,000 ratepayer volunteers to save energy and money.

Michael Hervey, LIPA's chief operating officer, said the so-called LIPA Edge program wasn't implemented even when temperatures topped 100 degrees and energy use hit a record 5,933 megawatts on July 22 because the authority had plenty of excess power. "For me it's hard to force customers to conserve when we have plenty of margin," he said of the nearly 1,000 megawatts of excess capacity on the LIPA system last month. "I don't think we're in the business of trying to ration electricity on peak periods."

But experts say that if LIPA had enacted the program, it could have trimmed 50 megawatts from last month's peak and saved millions of dollars because the cost of wholesale power during peak times is at its most expensive. "It makes sense to use it when LIPA has to buy power on the spot market at pretty high rates," said Gordian Raacke, executive director for green energy advocate Renewable Energy Long Island.

LIPA could also have reduced next year's power bill by more than \$1 million if it had enacted the program on the day of last month's peak energy use. That's because next year's capacity requirements are set on days of the previous year's peak demand — LIPA could have lowered the requirement by the 50 megawatts it would have saved had it enabled the program, spokeswoman Vanessa Baird Streeter said.

Last year it could have cut this year's energy capacity bill by \$800,000 if it had enacted it.

The program allows the authority to remotely raise thermostats and turn off pool pumps.

LIPA paid the 36,000 volunteers in the decade-old program \$25 to sign up, then paid to install special Internet-linked thermostats in homes and small businesses. The thermostats, top-of-the-line Carrier ComfortChoice models that cost \$300 each installed, allow LIPA and customers to remotely raise air conditioner temperatures by a few degrees for several hours when energy use hits peaks. Customers can override the system.

The sign-up fee cost ratepayers some \$900,000, the thermostats cost upward of \$10 million, and LIPA paid millions to install and maintain the thermostats and market the program. In all, between 2001 and 2008, LIPA spent \$33 million to fully fund the program, which is considered among the most effective energy-efficiency programs in LIPA's arsenal, according to a report.

Hervey said LIPA considers enacting the program when usage is within 300 megawatts of LIPA's total 6,800-megawatt capacity. LIPA hasn't enacted the program since August 2009.

But experts say LIPA should use it more. It was enacted four times during heat waves in 2001, for instance. LIPA trustee Neal Lewis, executive director of the Sustainability Institute at [Molloy College](#), said he found it "inexplicable as to why LIPA wouldn't use it."

Raacke said his office had previously been located in a building that signed up for LIPA Edge, and the reduction in temperature when the program was implemented was barely noticeable. Raacke sees a bigger [benefit](#) from the program in emissions reductions during peak use, noting that LIPA's small peaking plants tend to be its dirtiest. "It helps lower emissions when air quality is already poor," he said.

In promotional material, LIPA says the program is as much an "environmentally friendly" one as a peak power saver, saying it can replace the need for a small power plant.

Hervey said there are cost benefits to voluntary curtailment programs, noting LIPA pays a lot more for power during peak times than it charges customers. But he said, "We haven't been able to do an in-depth analysis" of the cost savings.

Even with outages hitting 11,000 customers at their height last month, Hervey said that instituting LIPA Edge probably would have had little or no impact on reducing them, even though it would have relieved some stress on the system.

Source: <http://lipaoversight.org/2011/08/04/lipa-spends-33-million-to-save-nothing/>