

# In Southampton, New Options for Energy

An ability to negotiate rates while ‘greening’ the grid



In a C.C.A. program, a municipality enters into contracts with energy service companies for power supply purchase options within its jurisdiction that can provide power produced through 100-percent-renewable sources, nonrenewable sources, or a blend.

Town of East Hampton

By Christopher Walsh

May 4, 2023

With all hurdles overcome, Southampton Town is poised to become the first municipality on Long Island to implement a community choice aggregation program, a model that replaces the utility as the default sole supplier of electricity or natural gas and gives municipalities the opportunity to seek lower prices from alternative suppliers. Under the plan, Southampton aims to aggregate residents and small businesses to negotiate a bulk purchase agreement for renewable, emission-free electricity.

In a C.C.A. program, a municipality enters into contracts with energy service companies, known as ESCOs, for power supply purchase options within its jurisdiction. Options include power produced through 100-percent-renewable sources, power produced through nonrenewable sources, or a blend. Residents and small businesses can opt out of the program at any time.

New York State approved a C.C.A. tariff, or set of rules and procedures, in 2016. To date, there are more than 150 C.C.A.-enabled communities. For the calendar year ending June 2022, around 250,000 customers in 64 municipalities saved \$28 million, in aggregate, on their electricity bills while “greening” the state’s electrical grid with 1.5 million megawatt hours of renewable energy.

Southampton, which has set a goal of achieving all of its energy from renewable sources by 2025, passed C.C.A.-enabling legislation in 2018, followed by municipalities including East Hampton Town, Southampton Village, and Brookhaven and Hempstead Towns. But a C.C.A. program within the Long Island Power Authority’s service territory faced several obstacles. As a self-regulating entity, LIPA is the only electrical utility in the state that is not under State Department of Public Service jurisdiction, and the P.S.C.’s initial order did not fully account for the complexities of LIPA’s service territory and rate structure.

Subsequent bills co-sponsored by Assemblyman Fred W. Thiele Jr. and passed into law require LIPA to comply with the state’s C.C.A. order. In January 2022, the utility amended its rules and procedures to allow competition among suppliers, and in January of this year its board approved consolidated billing, allowing ESCOs and C.C.A. programs to utilize the billing system of PSEG-Long Island, which manages the electrical grid on LIPA’s behalf, to bill their customers.

Officials of Joule Community Power, which Southampton hired to administer its C.C.A. program, spoke at a town board meeting on March 9. Joule represents 56 municipalities and nearly one million New Yorkers, Glenn Weinberg, its vice president of sales and market development, told the board. “Nearly all of them are interested in the same thing that the Town of Southampton is, which is renewable electricity supply at competitive rates. To date, the contracts that have been entered into by those municipalities have performed quite well.” In 2022, Joule customers saved more than \$12 million, he said.

“Everywhere in the state, your default energy supplier is also your distribution utility,” Mr. Weinberg said. “C.C.A. says that shouldn’t be a state decision of who the default supplier is. That can be a local decision.” Unlike LIPA, C.C.A. can offer a fixed price as well as “an enhanced renewable product customized at the local level.” Joule, he said, is “committed to accessing clean energy markets at competitive rates for those customer classes that have historically been left out of electricity market participation”: residential and small commercial customers.

While C.C.A. allows for more competitive rates, “it also enables municipalities to request renewable supply,” Lynn Arthur of Peak Power Long Island, a not-for-profit that Joule selected to serve as its community organizer in Southampton, said in describing the program in greater detail to the public on April 26 at Southampton Town Hall. “C.C.A. enables expanded options: a choice of 100-percent renewable, or as little as no renewable.”

C.C.A. features strong consumer protection, she said, because of its tri-party agreement: between the municipality, its C.C.A. administrator, and the electricity supplier. “Instead of signing their contract, they are signing our contract. We are dictating the terms.”

At the March 9 meeting, Mr. Weinberg proposed a timeline that would start with a 60-day outreach and education program. That program will conclude on May 31. The town is then expected to issue a request for proposals to suppliers. “We’ve been prepping the suppliers for months on this,” Mr. Weinberg said, “because we’ve been seeing this coming. . . . They’re going to be ready, so when we issue a bid in June, they’ll be prepared to respond with competitive pricing for renewable supply.”

“I hope you can see how C.C.A. programs encourage the building of more renewable energy projects on Long Island,” Ms. Arthur said. “This will create jobs, economic development, and it will green the Long Island grid.”

It is expected that a contract will be executed in the summer, after which eligible customers in the town would receive a letter detailing the town’s intentions and comparing the C.C.A. supplier’s rates with LIPA’s. Those wishing to participate would take no action. Those wishing to opt out will be able to do so by returning a prepaid postcard, calling a toll-free number, or filling out a form online.

East Hampton Town Councilwoman Cate Rogers, the town board’s liaison to its energy and sustainability advisory committee, said in an email on Monday that East Hampton has been “waiting for the ‘logjam’ with LIPA to be sorted out. I understand it has been sorted and we will take up the prospect of offering a C.C.A. to our community as well.” She discussed the issue with Kim Shaw and Samantha Klein of the town’s Natural Resources Department on Monday, she said, and Krae Van Sickle of the energy and sustainability committee, who spoke at Ms. Arthur’s April 26 presentation, “is working on the full report of new C.C.A. onboarding documents for a presentation to the committee at our next meeting,” on May 15. “I’m happy to see we are able to work on this now.”

“Wouldn’t it be brilliant if East Hampton (and even the rest of the five towns) could follow Southampton’s lead and hire the brilliant Joule to negotiate on their behalf as well?” Lena Tabori, who also spoke at the April 26 event and is also on East Hampton’s energy and sustainability committee, wrote in an email on Tuesday. “We would accomplish so much more and so much faster if we didn’t always have to invent our own roadmaps but could work, instead, together.

Climate change is in a hurry!”