

LIPA to spend \$109M on energy-storage batteries for the Hamptons

By **Mark Harrington** mark.harrington@newsday.com

Updated May 24, 2017 7:08 PM

LIPA will spend \$109 million for two large energy-storage batteries to help with soaring summer energy demand in the Hamptons, officials said Wednesday, as part of a portfolio of projects that includes a \$1.62 billion wind farm and a \$513 million grid upgrade for the South Fork.

PSEG Long Island on Wednesday also confirmed it had installed 30 megawatts of emergency generators to help with peak summer demand on the South Fork and Shelter Island. The temporary, oil-fueled generators provide backup power for the regions and are rarely used. Costs weren't disclosed, but in the past PSEG has said the 12 megawatts of generators for Shelter Island cost \$650,000 for the summer. East Hampton will get 12 megawatts of back-up generators, and Montauk will get 6 megawatts.

LIPA trustees on Wednesday approved authorizing LIPA to finalize a 20-year contract for two 5-megawatt storage batteries, which will store energy for use primarily during the high summer peak season on the South Fork, where electric use is growing at around 2.5 percent a year, even as the rest of Long Island sees a reduction. They will be in place in 2018.

LIPA officials during the board meeting also detailed a previously reported long-term plan for future energy sources for Long Island, called an Integrated Resource Plan. The long-delayed plan found that while LIPA on the whole won't need new power sources until at least 2035, the authority will contract for some 800 megawatts of renewable resources, such as offshore wind and solar, to displace aging fossil-fuel-based plants that LIPA has recommended not be upgraded or replaced.

Public hearings on the plan will take place June 21-22 in Suffolk and Nassau. **SK - Exhibit 3-8
(pages 2 of 2)**

LIPA officials, pressed at the board meeting for the costs of expanding the renewable energy sources, reiterated previous statements that variables were too wide-ranging and speculative to disclose now. LIPA did have a specific figure — \$5 billion — for the costs of overhauling two older power plants and building a new one.

"We frankly did not do a thorough evaluation of [the] complex renewable costs," LIPA chief executive Tom Falcone said, because it's a "highly uncertain and rapidly changing industry."

To navigate those changes, LIPA is taking a "modular" approach to contracting for renewables, Falcone said, and bringing those projects before the board for approval as they were needed to meet state commitments. He called it "the best way to approach the process because you really have no idea what else is going to go on in the world. What is the relative cost of solar versus offshore wind? What's the cost of hydro[power]? What are other utilities going to do?"

<https://www.newsday.com/long-island/lipa-to-spend-109m-on-energy-storage-batteries-for-the-hamptons-1.13661660>