



February 20, 2020

Hon. Andrew M. Cuomo  
Governor of New York State  
NYS Capitol Building  
Albany, NY 12224

Hon. Carl E. Heastie  
Speaker, NYS Assembly  
LOB 932  
Albany, NY 12248

Hon. Steve Stern  
NYS Assembly  
LOB 919  
Albany, NY 12248

**Re: Bill AB 7786 / SB 5122-A – Preventing the Long Island Power Authority from collecting past taxes**

Dear Governor Cuomo, Speaker Heastie, Assemblyman Stern:

The Association for a Better Long Island (ABLI) and Long Island Builders Institute (LIBI), leading regional economic development advocacy groups, strongly oppose to AB 7786 / SB 5122-A, which will make living and working on Long Island even more difficult and expensive for all of LIPA's 1.1 million customers, especially its business customers that drive Long Island's economy.

The Northport Power Plant has annual taxes of \$84 million, making it the highest-taxed property in America—a tax bill that exceeds that of Disneyland and the Empire State Building combined. Those costs are being directly passed through to LIPA customers in the form of higher rates. This subsidy is completely absurd for a 49-year-old plant that produces nearly 80 percent less energy than it did 20 years ago.

Instead of promoting a fair phase-down settlement that would benefit all Long Islanders, this legislation would make the problem far worse and incentivize terribly flawed policy. On April 26, 2019, the Newsday called this legislation “likely unconstitutional.” Also stating that “...municipalities could assess plants at infinitely high valuations while knowing the state would guarantee any refund. Besides setting a dreadful precedent, it is likely unconstitutional.” On June 3, 2019, the Newsday Editorial Board again wrote, “the legislation is clearly unconstitutional” and “It’s dangerous because it would allow municipal assessors...to put any value they want on properties without fear of legal challenges seeking repayment.” I am enclosing copies of both Newsday Editorials. This bill will hinder the progress already made, as Brookhaven Supervisor Ed Romaine and the Village of Port Jefferson brokered a fair phase-down settlement, acknowledging the need to reduce energy costs for the majority of its residents.

One cannot overestimate the financial burden this ill-conceived legislation will place on the more than one million LIPA customers. Currently, LIPA customers pay a 5% tax on their energy bill due to the over assessment of these four power plants. Most importantly, this bill is

unconstitutional, as it deprives electric customers of due process. If passed, it will surely lead to costly and prolonged litigation, only delaying the inevitable.

The 3.2 million Long Island residents need energy cost relief now, therefore, we respectfully request that you oppose Assembly Bill AB 7786.

Regards,



Kyle Strober  
Executive Director  
Association For A Better Long Island



Mitch Pally  
CEO  
Long Island Builders Institute

cc: Long Island NYS Senate Delegation



July 5, 2019

Senate Majority Leader Andrea Stewart-Cousins  
188 State Street, Room 907  
Legislative Office Building  
Albany, NY 12227

**Re: Long Island Power Authority (“LIPA”) Board Appointment of Ali Mohammed**

Dear Hon. Stewart-Cousins,

We are writing to express our strongest opposition to the appointment of Mr. Ali Mohammed of Woodbury to the LIPA Board.

On behalf of the largest business organizations on Long Island, whose members comprise of the largest energy users in the region, it is apparent to even the most casual observer that Mr. Mohammed has already failed his fiduciary responsibility to LIPA’s 1.1 million ratepayers. Given the considerable burden that the cost of energy plays on Long Island, it is stunning that his appointment is solely for the purpose of defending the special interests of the Northport-East Northport School District regarding the pending tax certiorari proceedings involving the Town of Huntington and LIPA with respect to the Northport Power Plant located in the Town of Huntington.

In literally his first statement following his appointment, Mr. Mohammed said, “One of my first priorities as a LIPA trustee will be to end LIPA’s practice of reckless tax certiorari lawsuits against communities and school districts.” He continued, “LIPA must immediately cease all litigation.”

His statements reveal a total and immediate abdication of his role as LIPA trustee, revealing his unsuitability to protect the Long Island ratepayer.

Currently, all 1.1 million LIPA ratepayers pay \$535m a year, which accounts for 15% of customers’ bills, to subsidize tax revenue for approximately 20,000 taxpayers located within the municipalities where the above mentioned power stations are located. It is reported that these plants could be 90% to 95% over-assessed.

The challenges for the tax assessments on these power plants have been pending since 2010, and while there has been productive settlement discussions between LIPA and Nassau County, LIPA and Town of Brookhaven and Village of Port Jefferson, there has been virtually no progress toward a settlement between LIPA and the Town of Huntington.

As both taxpayers and LIPA customers, we are hopeful that the parties will come together to achieve a fair phase down settlement that results in a significant reduction in taxes paid by LIPA customers while providing a multi-year glidepath for the school district. Ratepayers’ money has and

continues to be improperly paid to these municipalities for the past ten years and we want ensure that this practice ends and those dollars are put back into the ratepayers' checking accounts.

By his words and actions Mr. Mohammed has self-incriminated himself, revealing to legislators, ratepayers and regulators that he is unfit to serve on the LIPA Board. Therefore, we strongly oppose his appointment and respectfully request that you rescind your appointment and select a candidate who appropriately represents the interests of all 1.1 million LIPA ratepayers.

Thank you for your thoughtful consideration of this matter.

Sincerely,



Kyle Strober  
Executive Director, ABLI



Mitchell Pally  
President, LIBI

Cc: Hon. Andrew Cuomo, Governor, State of New York  
LI NYS Senate Delegation  
Hon. Ralph Suozzi, Chairman, LIPA Board  
LIPA Board of Trustees



September 10, 2018

Honorable Elizabeth Hazlitt Emerson  
Supreme Court of Suffolk County  
Commercial Division  
1 Court Street  
Riverhead, New York 11901

Mr. Martin F Scheinman, Esq.  
322 Main Street  
Port Washington, New York 11050

**RE: LIPA and Town of Huntington Scheduled Mediation and Court Proceedings**

Dear Judge Emerson and Mr. Scheinman:

We are writing to you on behalf of two of the largest business organizations on Long Island, whose members comprise of the largest energy users in the region, regarding the pending tax certiorari proceedings filed by the Long Island Power Authority (LIPA) and National Grid with respect to the Northport Power Plant located in the Town of Huntington.

We respectfully request that you allow us to participate in the scheduled mediation between LIPA, the Town of Huntington, National Grid, and the Northport-East Northport School District to ensure that the public interests are well-represented and preserved. We also respectfully ask that the December 3, 2018 court trial date remain in place to provide both an impetus for the parties to reach a settlement and a backup if mediation is unsuccessful.

The challenges for the tax assessments on these power plants have been pending since 2010, and while there seems to be productive settlement discussions between LIPA and Nassau County, LIPA and Town of Brookhaven and Village of Port Jefferson, there has been virtually no progress toward a settlement between LIPA and the Town of Huntington.

As both taxpayers and LIPA customers, we are hopeful that mediation will prove successful in achieving a fair phase down settlement that results in a significant reduction in taxes paid by LIPA customers while providing a multi-year glidepath for the school district. Our money has and continues to be improperly paid to these municipalities for the past eight years and we want ensure that this practice ends and those dollars are put back into the ratepayers' pockets. Only by being in the room can we make sure this happens.



As it appears that LIPA and the Town of Brookhaven, the Village of Port Jefferson, and Nassau County have moved closer to settlement, we hope that the combination of both mediation and the pending court case will inspire LIPA and the Town of Huntington to reach an agreement as one appears among the other parties.

Thank you for your thoughtful consideration of this matter. We welcome the opportunity to speak with you further about our request for participation in the mediation and maintaining the current court schedule for the trial.

Sincerely,

Kyle Strober  
Executive Director, ABLI

Mitchell Pally  
President, LIBI

Cc: Chad Lupinacci, Supervisor Town of Huntington  
Thomas Falcone, CEO, LIPA  
Andrew Cuomo, NYS Governor  
John Flanagan, NYS Majority Leader  
Andrew Raia, NYS Assemblyman



February 20, 2018

Governor Andrew M. Cuomo  
Senator John J. Flanagan  
Speaker Carl E. Heastie  
c/o NYS State Capitol Building  
Albany, NY 12224

Dear Hon. Cuomo, Hon. Flanagan & Hon. Heastie,

We, the Long Island Business Coalition (LIBC), are writing again regarding the over assessment of LIPA properties, specifically the National Grid-owned power stations in Island Park, Glenwood Landing, Northport and Port Jefferson.

Currently, all 1.1 million LIPA ratepayers pay \$535m a year, which accounts for 15% of customers' bills, to subsidize tax revenue for approximately 20,000 taxpayers located within the municipalities where the above mentioned power stations are located. It is reported that these plants could be 90% to 95% over-assessed. As a May 2nd trial date quickly approaches, we believe that a long-term solution must be reached immediately.

LIBC is advised that LIPA and local municipalities recently participated in discussions regarding a "phase-down" settlement. For a "phase-down" settlement to be reached, we believe that increased funding for the Electric Generation Facility Cessation Mitigation Program must be included in this year's New York State budget. Further, it is critical that this increase in funding be set-aside for the taxpayers in the affected Long Island tax districts.

**Therefore, as budget season is underway, LIBC urges you to increase funding for the Electric Generation Facility Cessation Mitigation Program and earmark those funds for the affected Long Island tax districts so that a fair phase-down settlement can be reached regarding LIPA's over-assessed properties.**

Thank you for your attention to this matter and anticipated courtesy.

Sincerely,

Kyle Strober

Kyle Burkhardt

Joseph Mottola

Mitch Pally



November 29, 2017

Nassau County Executive-Elect Laura Curran  
Nassau County Legislature, 1550 Franklin Ave., Mineola, NY 11550

Dear County Executive-Elect Curran,

We would like to extend our congratulations on your recent victory!

As you begin to establish your priorities leading to your inauguration in January 2018 we the Long Island Business Coalition—a group of Long Island's largest commercial and residential electric customers—want to know how you plan to address the largest hidden tax burden facing all Long Islanders today.

1.1 million Long Island electric customers pay upwards of 15% of their utility bill to subsidize the four school districts that surround aging power plants on Long Island— Northport, Port Jefferson, E.F. Barrett, and Glenwood Landing. As an example, the Barrett plant in Nassau County currently pays over \$42 million of property taxes per year, while the fair taxes called for by law are roughly \$?? million. That over taxation benefits less than 2% of Long Island residents, at the expense of the other 98%, including our members.

After a decade, a May 2018 court date has finally been set for the first tax certiorari case on the Northport power plant in Huntington. When the courts set the valuation of that plant at the fair level called for by law, it will lead to a drastic and sudden reduction on the assessed value of the plant and a large tax refund payment of several hundred million dollars from the Town to all LIPA customers. While the school district has been the primary beneficiary of the high tax assessment, but all residents and businesses of the Town will pay the tax refunds. This process will then be replicated for the other certiori cases with the notable exception that in the certioni case regarding the Barrett and Glenwood plants, all residents and businesses of Nassau County will pay the tax refunds.

The Long Island Power Authority has offered settlement terms that provide the community a glide path to a generous amount of taxes equivalent to that of a brand-new plant, and roughly 10x what the plant is worth. We hope you will work towards a fair settlement that provides a guidepath for the school districts while protecting Nassau County residents from paying hundreds of millions in tax refunds. In the absence of a reasonable settlement, this will be decided by the court and the results will be costlier to all Nassau County residents, including our members.

You are critical voice to reasonably settling this issue. On behalf of the largest commercial and residential electric customers on Long Island, we want to immediately work with you and LIPA to get to agreeable settlement terms and welcome your immediate and active engagement to address the largest hidden tax burden facing your constituents in Nassau County.

We wish you well in your new term.

Kyle Strober, Executive Director ABLI

Matt Cohen, Vice President LIA

Mitchell Pally, CEO LIBI

Cc: Senator Carl Marcellino  
Senator Todd Kaminsky  
Assemblyman Charles Lavine



November 21, 2017

Supervisor-Elect Chad Lupinacci  
Huntington Town Hall  
100 Main Street  
Huntington, NY 11743

Dear Supervisor-Elect Lupinacci,  
We would like to extend our congratulations on your recent victory!

As you begin to establish your priorities and staff leading to your inauguration in January 2018 we the Long Island Business Coalition—our group represents Long Island’s largest commercial electric customers— strongly urge you to putforth a plan that addresses the largest hidden tax burden facing the majority of Huntington residents.

1.1 million Long Island electric customers pay upwards of 15% of their utility bill to subsidize the four school districts that surround aging power plants on Long Island— Northport, Port Jefferson, E.F. Barrett, and Glenwood Landing. As an example, the Northport plant in Huntington currently pays over \$80 million of property taxes per year, while the fair taxes called for by law are roughly \$4 million. That over taxation benefits less than 2% of Long Island residents, at the expense of the other 98%, including our members.

After a decade, a May 2018 court date has finally been set for this tax certiorari case. When the courts set the valuation of the plant at the fair level called for by law, it could lead to a drastic and sudden reduction on the assessed value of the plant and a large tax refund payment of several hundred million dollars from the Town of Huntington. The Northport-East Northport School District has been the primary beneficiary of the high tax assessment, but all residents and businesses of the Town of Huntington will pay the tax refunds.

The Long Island Power Authority has offered settlement terms that provide the community a glide path to a generous amount of taxes—roughly \$40 million—equivalent to that of a brand-new plant, and roughly 10x what the plant is worth. We hope you will work towards a fair settlement that provides a glidepath for the school districts while protecting Huntington residents from paying hundreds of millions in tax refunds. Should this matter be settled in court, the decision could impose a castrapohic financial burden on Huntington residents.

On behalf of the largest commercial and residential electric customers on Long Island, we respectfully request that you work with LIPA and the affected municipalities, along with New York State, to resolve this matter before the May 2018 court date.

We wish you well in your new term

Kyle Strober, Executive Director ABLI

Matt Cohen, Vice President, LIA

Mitchell Pally, CEO LIBI

Cc: *Senator John Flanagan, Senator Carl Marcellino, Assemblyman Fred Thiele, Assemblyman Michael Fitzpatrick*



November 21, 2017

Supervisor Edward Romaine  
Brookhaven Town Hall  
1 Independence Hill  
Farmingville, NY 11738

Dear Supervisor Romaine,

We would like to extend our congratulations on your recent victory!

As you begin to establish your priorities leading to your inauguration in January 2018 we the Long Island Business Coalition—our group represents Long Island's largest commercial electric customers—strongly urge you to put forth a plan that addresses the largest hidden tax burden facing the majority of Brookhaven residents.

1.1 million Long Island electric customers pay upwards of 15% of their utility bill to subsidize the four school districts that surround aging power plants on Long Island— Northport, Port Jefferson, E.F. Barrett, and Glenwood Landing. As an example, the Port Jefferson plant in Brookhaven currently pays over \$32 million of property taxes per year, while the fair taxes called for by law are roughly \$1.5 million. That over taxation benefits less than 2% of Long Island residents, at the expense of the other 98%, including our members.

After a decade, a May 2018 court date has finally been set for the first tax certiorari case. When the courts set the valuation of that plant at the fair level called for by law, it could lead to a drastic and sudden reduction on the assessed value of the plant and a large tax refund payment of several hundred million dollars from the Town of Brookhaven. While the school district has been the primary beneficiary of the high tax assessment, but all residents and businesses of the Town will pay the tax refunds. This process will then be replicated for the other certiori cases.

The Long Island Power Authority has offered settlement terms that provide the community a glide path to a generous amount of taxes—roughly \$11 million—equivalent to that of a brand-new plant, and roughly 10x what the plant is worth. We hope you will work towards a fair settlement that provides a glidepath for the school districts while protecting Brookhaven residents from paying hundreds of millions in tax refunds. In the absence of a reasonable settlement, this will be decided by the court and the results will be costlier to Brookhaven residents, including our members.

You are critical voice to reasonably settling this issue. On behalf of the largest commercial electric customers on Long Island, we want to immediately work with you and LIPA to get to agreeable settlement terms and welcome your immediate and active engagement to address the largest hidden tax burden facing your constituents in Brookhaven and Long Island.

We wish you well in your new term.

Kyle Strober, Executive Director ABLI

Mitchell Pally, CEO of LIBI

Matt Cohen, Vice President LIA

Cc: Senator John Flanagan, Senator Ken LaValle, Assemblyman Fred Thiele

**LONG ISLAND BUSINESS CO-OPERATIVE**

February 15, 2017

Honorable C. Randall Hinrichs  
Administrative Judge  
New York State Supreme Court  
District Administrative Judge's Office  
Cohalan Court Complex  
400 Carleton Avenue  
PO Box 9080  
Central Islip, NY 11722-9080

RE: Long Island Power Authority Litigation

Dear Judge Hinrichs:

The following business organizations on Long Island, all part of the Long Island Business Cooperative, wish to express our great frustration with the amount of time it is taking for litigation involving millions of dollars of ratepayer money to be resolved by the court system.

For up to seven years, various court cases have been filed by either the Long Island Power Authority or various municipalities to attempt to resolve the amount of real property taxes paid by Long Island ratepayers through their electric bills paid to the Long Island Power Authority. Some cases have been in the court system since 2010, 2011, 2012, 2013, 2014, 2015 and 2016, allowing millions of dollars which may be returned to ratepayers to remain in limbo. With the average electric bill on Long Island being over \$100 per month for residential customers and far higher for business customers, and with 15% of each bill consisting of real property taxes paid by the utility, millions of dollars of funds which may be returned to all ratepayers are at stake. It is unreasonable for such cases to be allowed to linger within the court system for any period of time with such consequences. As the Administrative Judge for Suffolk County, we urge you to have such cases decided as quickly as possible, within 2017 at the latest for all cases which have already been filed. Neither party nor parties should be allowed to benefit because of the time it has taken and continues to take to resolve these cases. No further delays should be tolerated; all of the residents and businesses of Long Island are waiting.

Thank you for the very prompt action we know you will take on these matters.



The Voice of Long Island's Highway & Infrastructure Professionals

