

LIPA OKs food scraps-to-power plant, projects lower energy needs

New numbers expect a sharp decline in peak-power needs over the next 20 years and a particularly steep drop in the next 10 years.



LIPA power lines along Motor Lane in Bethpage on March 8. Photo Credit: Newsday/Steve Pfost

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March 21, 2019 9:09 PM

LIPA trustees gave a thumbs-up Wednesday to a food scraps-to-energy plant, even as the authority released new projections for sharply lower peak-power needs on Long Island that could hasten the obsolescence of older fossil-fuel plants.

Trustees unanimously approved an \$84 million, 20-year contract to buy power from a facility planned in Yaphank by American Organic Energy, which promises to convert

180,000 tons of food scraps annually to biogas to fuel a 6-megawatt power plant, vehicles and equipment. Once in operation by December 2020, the plant will cost average residential ratepayers around 10 cents a month, LIPA said.

The state has already awarded the facility more than \$1.7 million in grants, and Gov. Andrew M. Cuomo, in a statement Wednesday, called the facility “groundbreaking.”

Approval came as LIPA Chief Executive Tom Falcone pointed to a new calculation of a sharp decline in peak-power needs over the next 20 years, and a particularly steep drop in the next 10 years. With a simultaneous influx of offshore wind power planned by Cuomo’s administration and other renewable sources, Falcone said, the Long Island grid in 20 years “is going to look very different than it is today.”

The assessment offered little optimism for the Island's big fossil-fuel plants. Indeed, Falcone spent the bulk of a half-hour presentation instructing trustees on LIPA’s calculations for reduced taxes for the Northport power station. LIPA is in mid-trial with Huntington Town over the value of the Northport plant, a decade-old battle which, if successful, could result in hundreds of millions in tax refunds to the authority and sharply lower future property taxes for the utility.

In 2018, LIPA paid around \$84 million in taxes for the National Grid-owned plant, but argues that the plant is over-assessed by up to 90 percent. It has offered to settle the case for a 50 percent reduction in taxes over nine years, an offer the town has thus far rebuffed. The trial is scheduled to continue in State Supreme Court in Riverhead for two weeks next month.

Huntington has said LIPA’s proposed reduction fails to consider “the uniqueness of the plant and its location,” and that a verdict in LIPA's favor would “devastate” the Northport-East Northport school district and Huntington Town while ratepayers would “get back pennies.”

Falcone told trustees the plant was used just 12 percent of the time in 2017, compared with 54 percent in 1999, and trends point to continuing declines.