

Testimony for Communities for Local Power

Dear Senator Comrie and Parker,

My name is Anna Markowitz and I am the Executive Director for Communities for Local Power. We greatly appreciate the opportunity to submit this testimony and enthusiastically support your efforts to examine the Public Service Commission ("PSC") and the Department of Public Service ("DPS") to make sure that these vital government entities enforcing its mandates to protect New York ratepayers while simultaneously ensuring that utilities are on track for meeting the State's CLCPA goals.

Communities for Local Power has been a party to the last 3 Central Hudson rate cases and has worked with other organizations like the Public Utility Law Project to make recommendations for how our local utility can affordably and effectively operate. Communities for Local Power advocates in rate proceedings on behalf of low-income ratepayers, and pays special attention to issues that impact seniors, disabled individuals, and Spanish speaking ratepayers. Over the years that we have been participating in this process we have seen areas that are desperately in need of improvement.

As a small non-profit we spend a lot of staff time and funds participating in state rate cases. Sadly, the intervenor process is not set up to favor small intervenors like us; it's built for intervenors who have more time, capacity, and money to contribute to the process, like the Department of Public Service, utilities, and dedicated utility intervenors. While we are passionate about the work that we do to advocate on behalf of low-income ratepayers, and exceptionally privileged to be able to do this work, we have run into a number of barriers and challenges that have made our advocacy more difficult.

Though we have participated in rate cases before, the 2023-2024 rate case took a major change of pace and went from settlement to an evidentiary hearing. For those who may not be familiar with the process, this means that instead of parties determining the rate plan through a collaborative process, the rate plan was determined through lengthy litigation between intervenors and the utility. In total, we spent over \$5,000 on travel from the Hudson Valley to Albany, supplies, printing expenses, and hired legal expertise to help us navigate the process. Not to mention the additional thousands that we spent in staff capacity, in which two full time staff members and several volunteer members put hours of their time towards the process.

One notable challenge came up in regards to our witnesses who had provided testimony for the proceeding. We wanted to uplift the voices of folks who work with impacted ratepayers; those who work in county government, environmental experts, and social workers. We were informed midway through the process that all of our witnesses would have to take several days off of work to travel from the Hudson Valley to Albany to be questioned by the utility on their testimony, something that is a major challenge for people like social workers and government officials who provide exceptionally valuable services to low-income and marginalized ratepayers every day. No remote option was provided in these exceptional cases and we faced significant

pushback when we asked for such an accommodation. While the utility dropped their lines of questioning, we would've had our valuable testimony excluded if these community representatives were unable to make it to Albany, or in the best case scenario, faced allocating even more funds towards their travel and accommodations to get them to the proceeding.

Overall, the intervenor process is not built for small intervenors. The process is not friendly for everyday advocates, requiring major expertise to navigate incredibly complex legal systems. For this reason, we would welcome reforms to the PSC to make the process more navigable for advocates, as well as intervenor funding to make this budget heavy process more accessible to small intervenors.

We also need reforms to make PSC more transparent. Currently it is very difficult for the average rate payer to understand what the utilities are spending their capital on. They are allowed to charge a state approved percentage (for Central Hudson it was recently raised to 9.5%) on capital expenditures which incentivizes them to overspend on expenses like gas infrastructure replacement (which doesn't have a large planning or approval process to accomplish) but is not in line with CLCPA goals and is not modernizing our grid. There should be a transparent way for rate payers to see what percentage of the money they are spending is on gas infrastructure vs climate and grid modernization efforts (like battery storage).

We also have to reform the PSC to allow them to effectively control affordability. We have been disappointed by the inability of commissioners to vote no on Joint Proposals which come before the PSC. At the last Central Hudson rate case hearing, a few of the PSC commissioners indicated that they would have considered voting against the Joint Proposal but that by doing so they would be raising rates for customers. This is because currently if a Joint Proposal fails the rate goes to the requested rate by the utility which is almost always higher than the Joint Proposal which has negotiated the rate down. The rate should revert back to the current rate, not the requested rate so that the PSC can vote no on proposals that they don't support and DPS can continue to negotiate for a better Joint Proposal while ratepayers continue to pay their current rates.

The good news is that there are a few bills that will be coming before the senate this session that are a step in the right direction. We support Senator Hinchey's bill S08491 which would have utility rates revert to current levels if a joint proposal is voted down by the PSC. We support Senator Comrie's S5995 which will improve the energy system planning as well as Senator Hinchey's S08213 which mandates that the PSC post capital expenditures so that ratepayers know what their money is going to and that it will benefit the energy system. Lastly, there is Hinchey's S7328A which prohibits the revolving door of utility company employees being appointed PSC Commissioners and requires a 2 year ban before appointment. We would like to see these passed and would like to continue to identify additional ways to increase transparency and accountability to utilities.

The PSC is a hugely important institution for regulating utilities and ensuring that we reach our CLCPA goals. It is currently not set up to maximize success in these areas and we are in urgent

need to reform the PSC. We are grateful for this hearing so that we can identify areas of improvement and come up with a plan at the state level to achieve these goals.