



Testimony of Joseph Hally, Vice President of Regulatory Affairs – Central Hudson Gas & Electric Corp. – September 30, 2025

Good morning, Chair Comrie, Chair Parker, and members of the Senate Standing Committee on Corporations, Authorities and Commissions, and the Senate Standing Committee on Energy and Telecommunications.

My name is Joseph Hally, Vice President of Regulatory Affairs at Central Hudson. I appreciate the opportunity to speak with you today about the affordability challenges facing our customers, the role of the Public Service Commission, and our shared progress toward New York State's energy goals.

Let me begin by acknowledging what we all know to be true: there is an affordability crisis impacting our customers. The cost of housing, daycare, groceries, and transportation has risen sharply. These essential expenses now consume a much greater portion of household income, forcing families across the Hudson Valley to make difficult decisions every day. We hear this from our customers, and we see it in the data. Central Hudson understands this reality deeply and takes it seriously.

While electricity bills have increased over the past decade, it's important to note that they have remained stable relative to household income—holding at approximately 2%. This is not by accident. It reflects our commitment to affordability and the hard work of Central Hudson, the Department of Public Service and key stakeholders who represent the full spectrum of our customer base—from our most vulnerable residents to the economic engines of our region. We also know that our job is not done, we must continue to find ways to address rising costs while focusing on reliability and environmental sustainability to protect our customers who are already struggling financially.

In our most recent rate case, approved by the Public Service Commission, we implemented a 3% annual electric rate increase—just above inflation. This modest increase was necessary to address significant cost pressures, including:

- The replacement of aging infrastructure, which accounts for 80% of our capital program is focused on maintaining safe and reliable service, and as we have replaced

this infrastructure we have found encountered cost pressures due to global unrest and supply chain issues that we have worked to offset for example: the dramatic increases in the cost of distribution system transformers, which have more than tripled since 2020.

- We also are making investments to protect critical infrastructure and our customers from cybersecurity threats and are facing significant increases in property taxes

Despite these pressures, we've also worked diligently within state-wide proceedings to keep electricity affordable. We've worked with the Department of Public Service Staff and stakeholders, such as the Utility Intervention Unit, and the Public Utility Law Project to develop programs that limit the impact of the total energy bill to 6% of household income for our most vulnerable customers. And we've recently expanded these programs to provide benefits to moderate-income households, ensuring broader relief across our communities.

We believe that working within a regulated process—alongside the experts at the Department of Public Service and our stakeholders—is the most effective way to balance the diverse needs of our customers. This process ensures that every voice is heard and that we can deliver the electricity people need to power their lives safely, reliably, and affordably.

That said, we also believe there is room for improvement. Regulatory mechanisms can be developed that help extend the term of rate plans. These tools would allow us to extend the currently expected three-year rate case cycle and respond more dynamically to changing conditions while maintaining transparency and accountability.

Finally, I want to speak to our commitment to New York State's environmental goals. At Central Hudson, we believe in a clean energy future that is cost-effective and equitable. And we have results to show for it:

- Our Energy Efficiency programs have earned the ENERGY STAR Partner of the Year award three years in a row.
- On a per-customer basis, we are the #1 utility in the state in heat pump installations and renewable interconnections of solar.
- We've helped electrify the transportation sector by working with customers, auto dealers, and charging station owners—increasing EV adoption in the Hudson Valley from 1% to 9%.



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We are proud of this progress. But we must also acknowledge where we are falling short. Large-scale renewable development is lagging—and under current regulations, Central Hudson is prevented from helping to develop these resources. This is a critical gap that must be addressed if we are to meet the state’s ambitious climate goals.

In closing, I want to reiterate our commitment: to affordability, to collaboration, and to a clean energy future. We look forward to continuing our work with the experts at the Department of Public Service and the stakeholders that advocate for our communities to ensure that every New Yorker has access to reliable, affordable, and sustainable energy.

Thank you for your time and for your continued leadership on these important issues.