



AARP New York

Testimony before the

**Joint Legislative Public Hearing on 2026 Executive Budget
Environmental Conservation/Energy**

January 28, 2026

Introduction

Thank you for the opportunity to submit testimony concerning the Governor's energy affordability portion of the Executive Budget for the SFY 2026-27. AARP is a social mission organization with 2.2 million members statewide, and we advocate on behalf of all New Yorkers ages 50 and older.

New York must become more affordable. Making our state a place where people can live and age with independence and dignity is a top priority for AARP. Energy affordability is a major component of this priority, but for countless New Yorkers it is out of reach. New York cannot be a state where families struggle to pay for basic necessities like energy to heat and cool their homes.

Energy Affordability

The residential energy affordability crisis worsens each year as the Public Service Commission consistently approves rates that are unaffordable, in many instances resulting from an uneven playing field. The end results of unaffordable energy are reflected in the chart attached, with a summary listed below.

2025 Summary of Arrears and Collections in New York State

- *Over 1.2 million households in New York are 60 days behind on their utility bills, owing over \$1.8 billion in December 2025.*
- *The average amount a household owed that was 60 days late or more was \$1,432 in December 2025.*
- *An average of over 433,000 final termination notices were sent to New York households monthly in 2025 for non-payment – 5,200,290 in total.*
- *An average of over 34,000 households were terminated from service monthly in 2025 – 408,898 in total.*

AARP Budget Recommendations to be included in the final State Budget

- **Include Article VII language to codify utility intervenor funding** as proposed in S.8372 (Parker) / A.8611 (Solages) and appropriate \$1 million to the program. In their latest round of rate cases, New York's investor-owned utility companies were allowed to recover over \$31 million dollars in expenses for their rate increase advocacy in PSC rate case proceedings, with these funds collected from ratepayers. Essentially, consumers pay for utility companies to argue about increasing their own utility rates. The regulatory process depends on full participation by all parties to create an equal playing field. But the current field is dominated by utility companies and large commercial interests, causing a great residential ratepayer disadvantage.

- **Invest \$200 million in a contingency fund to ensure HEAP can open on time** in the event of a future federal shutdown causing delays or disrupting New York’s ability to release these essential dollars. HEAP is a federally funded program that helps low- and middle-income New Yorkers heat and cool their homes. HEAP is a lifeline for millions of low-income New Yorkers, including older people on fixed incomes, providing critical heating assistance during the winter months. The program served more than 1.5 million households last year, many of which include vulnerable individuals such as older adults. Here in New York, HEAP was supposed to open on November 3, 2025, but OTDA had to delay the opening of applications indefinitely until the shutdown ended. Even after the federal government reopened, there were delays in releasing the funds to the states. Ultimately, HEAP did not open until December 1, 2025, one month after it was expected to open in November. The HEAP appropriation will go a long way to ensure that HEAP will remain open and provide much-needed assistance if the federal government shuts down. In addition, this fund could be used to enroll more people into HEAP since only about one-third of income-eligible households are enrolled. More people enrolled in HEAP would automatically increase EAP enrollment.
- **Include Article VII language** as proposed by Assemblymember Barrett and Senator Gonzalez’s “Accountability for Data Centers” bill (A9039-A/S8540), which would create a separate utility service classification for large energy-use facilities and assign the full costs of serving these facilities to that classification. Effectively, the legislation would ensure that the substantial infrastructure upgrades and other costs associated with these high-demand loads are borne by the facilities that create and benefit from them.
- **PULP Funding** – Invest an additional \$250,000 for a total of \$2.75 million in resources. PULP has acted as New York’s only independent organization engaged solely in utility consumer advocacy, with a particular focus on low- and fixed-income households. Throughout its history, PULP has achieved numerous victories around energy affordability and consumer protection for residential households in utility rate cases and policy proceedings. With the trend of escalating utility bills and potential federal cutbacks on vital energy assistance programs, PULP’s work to advocate for fair and equitable utility services for all, especially the most vulnerable, is more vital than ever.
- **Energy Affordability Program (EAP).** Invest in an annual public promotion of the EAP to encourage more income-eligible utility customers to enroll in the program since currently only about half of eligible customers are enrolled. Additionally, require the development of a data-matching policy among executive state agencies to enhance EAP enrollment. This would allow individuals who apply for other assistance programs and who meet the same eligibility criteria to be automatically enrolled in the EAP. The EAP is a statewide initiative overseen by the PSC and administered by utilities to reduce energy burdens for income-eligible households. EAP is designed to keep energy costs affordable for low-income New Yorkers by providing monthly discounts on electric and/or gas bills. The program targets to keep energy costs at or below 6% of household income.

AARP Recommendations for S.9008 / A.10008 (Transportation, Economic Development and Environmental Conservation Article VII)

Part N

- **Utility Budget Constraint Proposals**

AARP supports the Governor's proposal to require budget constraint proposals. However, additional language should be added to require a side-by-side comparison following the conclusion of a rate case that shows the company's original filing, the budget-constrained filing, and the final amounts approved by the PSC by rate year. This summary should be posted online as well, in a format that the public can easily understand. This could also alleviate any confusion as to whether an approved rate was actually lower than what was proposed on the Commission website. Further, AARP seeks clarification (1) about the circumstances that the PSC would consider in rejecting budget constrained proposals and (2) whether the PSC could pick and choose items from the two proposals or must accept or reject a proposal in its entirety. AARP also notes that consideration of two utility proposals will complicate the review, testimony, and settlement processes.

- **Inappropriate Utility Spending**

AARP supports the Governor's language for the PSC to review any standards and procedures used to ensure that inappropriate utility expenses including certain classes of advertising and legal fees, and any fines or penalties imposed on the utility are not charged to ratepayers. In addition, we recommend language that would require PSC review of the expenses utilities recover for their participation in rate cases. In their latest round of rate cases, New York's investor-owned utility companies were allowed to recover over \$31 million in expenses for participating in recent PSC rate case proceedings, much of which goes to persuade regulators to approve rate hikes. Adding insult to injury, these funds were collected from ratepayers. Consumers pay utility companies to increase their own utility rates.

Part O

- AARP supports the Governor's language but recommends that language as proposed by Senator Mayer and former Assemblymember Mamdani in A6951/S5593 be added. This language reforms the application of "make whole provisions" and stops PSC from allowing utilities to automatically receive 100% make-whole recovery when cases run long. Instead, the bills establish a declining recovery schedule to limit rate compression, which occurs when large retroactive increases are collected over a short period, causing bill spikes for ratepayers. This protects ratepayers from unexpected, lumpsum back billing.

Part P

- **Energy Burden**

While AARP is supportive of the energy burden proposal, we recommend specific language be added to provide greater detail on how these proposals should work. AARP supports PULP's call for more granularity and clarity around income tiers for residential customers, as this is an important factor when calculating energy burden, as well as the recommendation requiring utilities to gather information on the sources of increased energy burdens. This information is vital and aligns with broader affordability goals. The data and information gathered should also be made public, where possible, as this will help other intervenors and advocates better understand energy burdens across the state.

- **Independent Monitor**

AARP conceptually supports the proposal to authorize the PSC to install an Independent Affordability Monitor at no cost to customers within utilities. However, clarification is required to understand the three percent energy burden threshold. It is not clear to AARP whether the intent is to look at the current energy burden or only to look at the impact of new rates on the energy burden. On the one hand, data suggests that currently the energy burdens across all of the state's service territories are above three percent. On the other hand, it is doubtful that any rate increase alone would be above the energy burden threshold. The proposal could enhance transparency and accountability by providing the PSC with independent information on what may be contributing to rising residential rates. AARP agrees with PULP's recommendations to clarify how the monitor's findings will be addressed, whether utilities or the Commission are required to respond, and how the identified cost drivers would inform future utility spending authorized in rate cases. These amendments would strengthen the proposal and better align it with the long-term goal of preventing unaffordable utility bills.

Part Q

- **Tenant Unfair Utility Shut-offs**

AARP is in full support of this provision, which is similar to Assemblymember Rosenthal and Senator Kavanagh's bill A.8712/S.8118. The Governor seeks to prevent electric and gas utilities from terminating utility service to multiple dwellings when the owner/landlord falls behind on paying the account. Instead of allowing service termination, the bill allows utility companies to seek a lien in court. The Governor's proposal includes a water arrears section that authorizes municipalities to commence an action against non-paying owners.

Appropriation Bill S.9004/ A.10004 Capital Projects

- **EmPower Plus Program** – AARP supports the Governor’s \$50 million appropriation. EmPower Plus helps low- and moderate-income households save energy and money toward energy improvements made to their primary residence. Through EmPower Plus, eligible New Yorkers can receive no-cost comprehensive home energy assessments to pinpoint where energy and dollars are being wasted and receive a customized plan to lower energy usage, no-cost direct install improvements identified during the assessment, and funding toward the cost of energy efficiency improvements, including air sealing, insulation, heat pumps, heat pump water heaters, and electrical service and wiring upgrades.

Conclusion

Energy affordability remains out of reach when families struggle to keep the lights on or maintain safe temperatures in their homes. This crisis affects not only older adults on fixed incomes but all New Yorkers. AARP believes the Governor and the Legislature have the opportunity to improve residential ratepayer representation in the ratemaking process, increase consumer protections, and address the energy affordability crisis in the 2026-27 Budget.