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TESTIMONY OF STATE SENATOR LIZ KRUEGER BEFORE THE NEW YORK PUBLIC SERVICE COMMISSION REGARDING CONSOLIDATED EDISON'S PROPOSED RATE INCREASES CASE NUMBERS 25-E-0072 AND 25-G-0073 NOVEMBER 5, 2025

My name is Liz Krueger and I represent the 28th Senate District of New York, which includes the Upper East Side, Gramercy, Flatiron, Chelsea, and Midtown neighborhoods of Manhattan as well as Roosevelt Island. Thank you for allowing me to submit testimony opposing the proposed significant rate increases requested by Consolidated Edison (Con Ed) on residents of New York City and the surrounding area.

My constituents deal with a higher cost of living than anywhere else in the United States.[1] Unfortunately, rate increases from Con Ed in recent years have only worsened the affordability crisis for many New Yorkers. In 2019, Con Ed and the Public Service Commission (PSC) settled on rate increases of approximately $6 per month between 2020 and 2022 for electric service and of about $13 per month for gas service. In its next rate case in 2022, Con Ed was able to attain an additional monthly bill increase from 2023 through 2025 of approximately $8 for electric service and about $14 for gas service. Now in 2025, Con Ed is seeking monthly increases for electric and gas services of $14 and $46 respectively.[2] Increases even resembling these figures would exacerbate New York City's cost of living crisis, and I urge the PSC to make every effort to significantly reduce the increases for residential customers.

Due to past rate increases, Con Ed bills no longer represent a small percentage of New Yorkers' monthly expenses, particularly for older adults and others on fixed incomes. My office has encountered far too many constituents who are forced to contribute upwards of 30% of their monthly incomes, in many cases all of which comes from Social Security, towards their Con Ed bills during the coldest and warmest months. This figure includes the discounts they receive from New York's HEAP subsidy program. I have personally heard from older adult constituents that even before any additional rate increases, they cannot afford to turn on their air conditioners until the temperature reaches the upper 80s. Others tell me they cannot afford to use their air conditioners at all. At least some of this is attributable to the "surge pricing" model, which increases rates when energy needs are at their highest, such as the coldest and hottest days of the year. Surge pricing results in New Yorkers being shocked by their monthly Con Ed bills during the

[1] https://www.redfin.com/cost-of-living-calculator/new-york-manhattan-ny
[2] PULP's Rate Case Tracker - Includes data from 2019, 2022, and 2025 rate cases

summer and winter and frequently finding themselves unable to pay the high totals. While our most vulnerable residents are forced to subject themselves to dangerous temperatures, Con Ed continues to raise its rates while turning an ever-increasing profit for its shareholders.

Shareholders have arguably benefitted the most from Con Ed's policies. By consistently prioritizing profitability and share prices, Con Ed has definitively decided that the customer comes last. In its second quarter earnings report presented in August of 2025, Con Ed reported for the first six months of 2025 a net income for common stock of $1.038 billion, an increase of about 13% from the first six months of the prior year ($922 million).[3] The trend of increasing profits extends far beyond 2025. Between 2015 and 2024, Con Ed's annual profits soared from $1.13 billion to $1.89 billion. This represents a 21% increase in annual profits over and above inflation.[4] Such a level of profitability is simply not necessary for Con Ed to provide service and maintain infrastructure, especially when these millions are coming directly out of the pockets of New Yorkers.

The previous rate hikes that have led to this untenable situation have had quantifiable consequences on the lives of millions of New Yorkers. As of September 2025, according to the Public Utility Law Project (PULP), over a million households in our state found themselves at least two months behind on their utility payments. PULP reports that a record number of households had their electricity or gas shut off this spring. This includes a shocking 61,000 in May alone, the highest monthly figure PULP has ever documented.[5] This disturbing trend continues when looking at Con Ed's service area specifically (New York City and Westchester County). This area saw nearly 20,000 terminations for nonpayment of residential customers in August 2025. This represents a 400% increase compared to Con Ed's report from August of last year, which counted approximately 4,000 terminations for nonpayment.[6] We simply cannot allow Con Ed to pour gasoline on this rapidly growing fire in the form of additional rate hikes.

To make matters worse, my office has received multiple concerning reports of the installation of submeters in multi-family buildings without any meaningful oversight, resulting in energy bills skyrocketing without increased energy usage. Older adult centers in my district have informed my office of entire groups of residents all simultaneously experiencing massive increases in their energy bills immediately following the installation of a submetering system. In one case, an older constituent who was away from her apartment in a rehabilitation facility between April and August and only had her refrigerator running, received a $350 bill for the month of August upon her return home. Her building was recently submetered. Another constituent saw his monthly electricity bill skyrocket to almost $500 for his 200 sq ft Single Room Occupancy unit immediately after his building was submetered. Con Ed's consistent lack of oversight in incorporating submeters into the grid is yet another example of its inadequate focus on protecting ratepayers as a result of their prioritization of profitability.

Lastly, I would also like to take this time to alert the PSC to a rising threat to New York ratepayers which is Big Tech's push to build data centers in our state. The impending wave of new data centers, largely

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[3] https://www.coned.com/en/about-us/media-center/news/2025/08-07/con-edison-reports-2025-second-quarter-earnings
[4] https://www.lohud.com/story/news/local/new-york/2025/10/07/new-yorks-private-utilities-raking-in-profits-see-how-much/86552325007/?gnt-cfr=1&gca-cat=p&gca-uir=false&gca-epti=undefined&gca-ft=0&gca-ds=sophi
[5] https://nysfocus.com/2025/09/18/new-york-energy-bill-hikes
[6] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=91-M-0744

attributable to the tech industry's push for widespread use of artificial intelligence (AI), has the potential to threaten the affordability of energy in New York beyond what most of us ever thought possible. It is likely that new data center construction in our state has already led to rate increases for New Yorkers. 2025 saw the completion of the Orangeburg Data Center in Rockland County, which has advertised its services as offering a maximum load capacity of 40 MW. Running at capacity, this facility could use 29,200 MWh per month. For reference, New York State Electric and Gas (NYSEG) estimates the average electricity customer in New York uses 600 kWh (0.6 MWh) of electricity per month, meaning this single data center at maximum capacity would use an amount of power equal to about 48,667 households.[7] This area is served by the utility company, Orange and Rockland, a Con Ed subsidiary, meaning that Con Ed is ultimately responsible for funding the projects required to accommodate the area's increased power demand required by this facility. Inevitably, residential ratepayers are disproportionately on the hook to provide the funding needed to incorporate a project like this into the grid via rate hikes.

This process happens quite intuitively: as a data center is built, the utility that operates in the area must find a way to deliver the massive amounts of energy it uses to operate on a daily basis. However, if the grid is not already set up to deliver the amount of energy these data centers need to operate, it requires significant upgrades to be made. The utility then pays for the cost of these expensive upgrades by increasing rates for all of its customers, with the highest rate hikes on residential customers. If we do not act preemptively, this story has the potential to repeat itself over and over again in every part of our state until working and middle class New Yorkers simply cannot afford to power their homes.

In addition to threatening affordability, data centers also endanger the reliability of electric grids across New York. According to the New York Independent System Operator's 2025-2034 Comprehensive Reliability Plan (CRP), over the next decade our state's electric system faces "profound reliability challenges" which are in part due to "the rapid growth of large loads (e.g.: data centers and semiconductor manufacturing)."[8] Looking at the rate at which these projects are moving forward in New York, it is no wonder that the grid's reliability is under threat. According to the CRP, between the end of 2024 and September 2025, the NYISO interconnection queue has more than doubled from roughly 4,000 MW of large load projects to over 10,000 MW of projects on pace to be in service prior to 2031.[9] This is a reckless pace and will almost certainly further imperil both the affordability and reliability of New York's energy grid. The PSC must take action now to regulate the relationship between utilities and new data centers before it becomes a widespread driver of higher utility bills and increased grid volatility in New York.

While many of these individual concerns may seem unrelated, I believe the PSC has an obligation to take them all into account in order to understand the scope of issues Con Ed ratepayers are being faced with. New York's energy affordability crisis is multi-pronged and needs to be addressed as such. As long as Con Ed continues to turn a blind eye to the causes of this crisis and avoid accountability, it is in no position to demand more money from ratepayers. On behalf of the millions of New Yorkers who have had enough of these out of control rate hikes, I encourage the PSC to approve the lowest possible rate increase in this case. The PSC must also require Con Ed to improve its oversight of submetering as well as take more steps to shield consumers from the consequences of integrating new data centers into the grid.

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[7] https://www.nyseg.com/w/residential-electric
[8] https://www.nyiso.com/-/press-release-nyiso-planning-studies-highlight-grid-reliability-concerns
[9] https://www.nyiso.com/documents/20142/54426374/11b_Draft_2025-2034-Comprehensive-Reliability-Plan_OC.pdf/603bab0b-0ec6-ea9e-9786-cd089105843e p 8.