

SENATE FINANCE COMMITTEE
and the
ASSEMBLY WAYS AND MEANS
COMMITTEE

Testimony of New York State Department of Public Service

February 14, 2023

Good morning, Chair Krueger, Chair Weinstein, and other distinguished legislative members. My name is Rory Christian, and I am the Chief Executive Officer of the Department of Public Service (Department) and Chair of the Public Service Commission (Commission).

The Commission's regulatory jurisdiction extends over New York's investor-owned utilities, including six major electric and gas utilities, five major gas-only utilities, and two major water companies. We have jurisdiction over certified telecommunications corporations operating in New York, hundreds of small water companies, nearly 40 municipal utilities, cable companies, power generators and energy service companies. The Department — the administrative arm of the Commission — also provides regulatory oversight of electric utility operations on Long Island.

In State Fiscal Year 23-24, Governor Hochul has set out an ambitious agenda to continue implementing the Climate Leadership and Community Protection Act (Climate Act) in a manner that is cost effective, equitable, stimulates job creation, and focuses on energy system reliability and affordability. Guided by some of the nation's most aggressive climate and clean energy initiatives, New York is on a path to achieving a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and economywide carbon neutrality by mid-century. The Commission is proud to play a central role in achieving this agenda, while also meeting our traditional role of ensuring safe, affordable and reliable utility services.

With the adoption of the Climate Action Council's Final Scoping Plan and forthcoming next steps with the development of the next State Energy Plan, the Commission is poised to take further actions to create a more equitable energy system that provides consumers with clean sources of energy and improved air quality. The Scoping Plan outlines clear policy recommendations while also allowing for sufficient flexibility in approach, recognizing the possibility that changes in technologies, economic conditions, climate science and other factors may create new opportunities or challenges and require course adjustments over time.

During the transition to a clean energy future, our commitment to affordability and reliability remains steadfast. Due to the COVID-19 pandemic, many households fell behind on their utility bills and an unprecedented level of arrears accrued across the State. This, combined with rising

energy costs, put many consumers in the impossible position of having to choose between paying their utility bills or other basic expenses like groceries. Last year's Enacted Budget agreement provided the Commission with \$250 million to reduce consumer utility arrears. The Commission leveraged this appropriation to provide \$567 million to approximately 327,000 low-income residents in arrears. Importantly, we quickly moved the appropriation directly to New Yorkers in need within four months of the Budget adoption.

On January 19, 2023, the Commission approved a second phase of COVID-relief providing \$672 million to 478,000 families and 56,000 small businesses for past due utility bills. The initiative will help avert thousands of service terminations and was determined to cost less to ratepayers than the cost of inaction since this bad debt would eventually become recoverable from all ratepayers.

More structural change is needed to improve energy affordability. Governor Hochul has proposed \$200 million to expand our monthly discount to more than 800,000 households making under \$75,000 a year who have not been eligible for the State's current program.

Further, Governor Hochul proposed \$200 million for the EmPower Plus program to help 20,000 low-income families retrofit their homes by adding insulation, installing energy-efficient appliances, and where eligible, switching from fossil fuel heating to clean, efficient electric alternatives. Homes that participate in the EmPower Plus program and fully electrify will be eligible for the Energy Affordability Guarantee, a first-in-the nation pilot program that ensures these low-income New Yorkers never pay more than 6 percent of their incomes on electricity and incentivizes them to fully electrify their homes. These programs will support the development of cleaner, more efficient buildings and substantially reduce service terminations, collection activities, and prevent economic hardship in our state's communities by assisting consumers proactively with effectively managing their energy bills.

Recognizing the scale of change that will be necessary to achieve the Climate Act's mandates, the Commission's actions to date have supported the development of large-scale renewable energy resources and advanced green technologies, including solar, energy storage, thermal energy networks, charging stations for zero-emissions vehicles, and onshore and offshore wind. Among

our most significant accomplishments is progress made in identifying and advancing improvements in transmission and distribution infrastructure to maintain our existing systems and to reliably and cost-effectively accommodate the increase in renewable energy generation coming online. As we make these significant clean energy investments that are once in a generation in size and scope, we must maintain the reliability and improve the resiliency of our energy systems.

New York also continues its work in the transition to a zero-emission transportation sector to reduce greenhouse gas emissions and improve air quality. Under Governor Hochul's leadership, utilities have been authorized to invest more than \$1 billion in support of vehicle electrification, primarily for the development of electric vehicle charging infrastructure for passenger vehicles. We will build upon this success with a new proceeding to advance the charging infrastructure needed to electrify medium and heavy-duty vehicles. Pollution from these vehicles impacts disadvantaged communities where air quality is a public health issue and as part of this proceeding, the Department will consider revisions to utility planning processes to encourage proactive investments, especially in disadvantaged communities and Clean Air Act nonattainment areas.

The Commission will continue implementing solutions to reduce greenhouse gas emissions and address some of the inequities of the past, including in our utility rate cases. In the past two years, the Commission decided three major electric and gas utility rate cases. I am very proud to say that our rate case decisions reduced initial requests dramatically, saving ratepayers hundreds of millions of dollars annually. And we intend to judiciously review the rate cases that are currently pending before the Commission.

But it's not only electricity and natural gas where our attention is focused. Consistent with the Enacted Budget from 2021, last summer the Commission released a first-of-its-kind, interactive broadband map to provide the most detailed depiction of broadband infrastructure in New York to date. The map — which will be updated annually — is already being used as a guide for future broadband investment and has attracted the interest from other state utility commissions wanting to follow New York's lead.

As the Commission moves strategically ahead, it will continue its long-standing commitment of transparency of its regulatory processes. Last year, we held 98 public statement hearings and meetings that were attended by thousands of New Yorkers in total. Additionally, the Commission received over 21,000 public comments in 2,450 proceedings, and those comments played a key role in our decision-making process. We fielded more than 269,000 consumer calls and handled approximately 68,000 consumer inquiries and complaints. Together, these activities ensure that the companies we regulate are responsive to the needs and concerns of individual consumers and the public.

In sum, we are well-positioned to deliver our core mission and meet the Governor's ambitious agenda and we are grateful for the Legislature's support. This concludes my remarks. I welcome your questions.