

SENATE FINANCE COMMITTEE

and the

ASSEMBLY WAYS AND MEANS

COMMITTEE

Testimony of New York State Department of Public Service

January 27, 2021

Good afternoon, Chair Krueger, Chair Weinstein and other distinguished members. My name is John Rhodes, and I'm CEO of the Department of Public Service and Chair of the Public Service Commission.

The Commission's jurisdiction extends over investor-owned utilities, including six major electric/gas utilities, five major gas-only utilities, and three major private water companies. It also has jurisdiction over small telephone companies, hundreds of small water companies, nearly 40 municipal utilities, cable companies, power generators and energy service companies. The Department — the staff arm of the Commission — also provides regulatory oversight of electric utility operations on Long Island.

In FY 21-22 we are prepared to implement several budget initiatives proposed by Governor Cuomo, including his proposal to require broadband providers to offer internet service for no more than \$15 per month to low-income households. Internet service is becoming as necessary as other basic utilities, but far too many New Yorkers cannot afford access. Under the Governor's proposal, the Department will ensure the providers remain in compliance and provide consumers information about available broadband products and pricing. We will also regularly review the speeds offered in the program to ensure they stay current with federal definitions of broadband and meet consumer needs.

We will also be continuing Governor Cuomo's nation-leading climate plan, which includes: a mandate for a carbon-free electric system; modernizing our utility systems; and ensuring affordable energy for all New Yorkers, especially for our most vulnerable citizens. We are proud to have supported the creation of the new Office of Renewable Energy Siting, which is now up and running and processing applications. This plan is putting the State on a path to economy-wide carbon-neutrality.

In FY 21-22, we will build on our work to hold utilities accountable through rigorous oversight and enforcement actions when warranted. There were numerous instances of utility failure in response to Tropical Storm Isaias last August, and Governor Cuomo called on our agency to investigate and remedy

the problems quickly. Our newly enhanced enforcement unit immediately went to work, and in November submitted its investigation report in record time. Three utilities — Con Edison, O&R and Central Hudson — now face potential penalties totaling \$137.3 million, with Con Edison and O&R also facing potential license revocation. And we are supporting LIPA’s lawsuit against PSEG LI for its failures.

In November, the Governor appointed Rory Lancman as the statewide Special Counsel for Ratepayer Protection to represent consumers in some of our enforcement work, among other things. In the Isaias investigation, for example, the Special Counsel has conducted hearings throughout the affected regions to gather information regarding ratepayer impacts that will inform the Commission’s final decision on penalty amounts, and he is actively involved in LIPA's ongoing litigation with PSEG LI.

Other policy proceedings include reforming the retail access market served by energy service companies to protect consumers and ensure companies are selling appropriate energy services to customers; enhancing our low-income affordability programs that provide utility bill discounts to vulnerable New Yorkers; modernizing the Department’s oversight of the telecommunications industry to ensure reliable access to emergency services; and addressing the need to upgrade the State’s transmission system to reduce congestion and meet public policy goals.

In addition, the Executive Budget amends existing utility shut-off moratorium provisions, adding small businesses to the customers who are protected, and makes such protections permanent during future emergency declarations, and making it applicable to cable companies and internet service. While it is to be hoped that these protections will never again be necessary, having them in place establishes a set of safeguards for residential and small business customers in the event of certain statewide economic constraints.

In sum, we are positioned to deliver our core mission and meet the Governor’s ambitious agenda. This concludes my remarks. I welcome your questions.