

SENATE FINANCE COMMITTEE
and the
ASSEMBLY WAYS AND MEANS
COMMITTEE

Testimony of New York State Department of Public Service

February 7, 2024

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 welfare of all New Yorkers and the operation of the State's economy depend on safe and reliable access to affordable energy, water, steam, telecommunications, and cable services. The Department and the Commission were established by statute to oversee utility companies that own and operate the infrastructure through which customers receive these essential services, and to protect these customers. Our agency's mission is to ensure these industries provide safe and reliable service at just and reasonable rates, in a way that protects natural resources.

How we achieve this mission matters. The Department wholeheartedly embraces Governor Hochul's commitment to transparency, accountability, and public participation in New York State government. Public input has a significant impact on Commission decisions. The Department is working to make information more accessible and participation in our proceedings easier, as recent updates to the Department's website reflect. In addition, Department staff monitor utility customer service quality, oversee utility low-income assistance programs, and conduct outreach programs to ensure public awareness of initiatives to assist customers. The Department represents the people of New York, and that is why we are working so hard to ensure the voice of consumers is heard in all of our proceedings.

Public statement hearings, both in-person and virtual, are a vital tool for public engagement in rates cases, siting and permitting reviews, and other proceedings. Last year, we held 98 public statement hearings and meetings, attended by thousands of

New Yorkers, and received over 29,000 public comments in 2,450 proceedings, comments that played a key role in our decision-making. We fielded roughly 270,000 consumer calls, handled approximately 68,000 consumer inquiries and complaints, and the Office of Consumer Services returned more than \$7 million in utility consumer refunds in 2023, up 55 percent from 2022. Together, these interactions inform our approach to our mission and to the companies we regulate.

Over the last few years, the Commission took action to update and tighten utility oversight and enhance consumer protections. For example, in the emergency response plans that electric utilities submit to the Commission for approval each year, they must now include plans for managing large scale outages caused by cyber-attacks. They must also plan to provide bill credits and reimbursements to residential and small business consumers that experience a widespread outage lasting at least 72 hours.

The Commission and the Department also play a central role in achieving the objectives of the Climate Leadership and Community Protection Act or Climate Act, passed by the Legislature in 2019. We must do this while maintaining our energy system's reliability and improving its resilience, and without compromising affordability. Make no mistake, this is a challenging endeavor. We, as a State, have faced headwinds, barriers, bottlenecks and conflicts in our efforts to deliver on the clean energy and climate targets that Governor Hochul and the Legislature have tasked us with. And we will continue to face difficult decisions as we balance the priorities of reliability, affordability and achieving the mandates of the Climate Act.

The Department and Commission are taking a systematic approach to the work of hitting our climate targets while maintaining reliability, safety, and affordability. In

2023, taking into consideration feedback received throughout our engagement processes, the Commission improved our energy efficiency and building electrification programs, by minimizing redundancy and improving program design and access especially for low- to moderate-income customers. The Commission increased funding for New York’s Electric Vehicle (EV) Make-Ready program from \$701 million to \$1.24 billion. In disadvantaged communities, that will mean an increase from \$206 million to \$372 million.

In July 2023, staff issued the first Annual Informational Report on the Department’s Overall Implementation of the Climate Act. It included a summary of recent efforts, investments, and outcomes related to several key areas, including renewable electricity and energy storage, transmission, energy efficiency, building electrification, thermal energy networks, and transportation.

Governor Hochul has proposed a budget that will help us build on these successes. The 2024-25 Executive Budget includes \$141.7 million in funding to support the Department’s operations and includes a number of key initiatives necessary to meet the targets of the Climate Act.

Governor Hochul has called upon the Department to expand its efforts to deliver an affordable and reliable clean energy future. The Department has already undertaken proceedings to implement energy affordability programs in previous State Budgets resulting in an average savings of \$1,400 per eligible utility customer, identify zero emission resources, map out the future of renewable energy, and deploy electric vehicle charging stations, to name a few. This year, we will initiate the **Grid of the Future Proceeding**. Its aim will be improve both flexibility and affordability by deploying smart grid technologies and enabling the operation of residential virtual

power plants. This new proceeding will build on past and ongoing commission efforts and will identify cost-effective paths to achieving meaningful deployment targets, including through payments to participants who provide grid benefits. Another new program, the **Smart Energy Savings Initiative**, will complement the Grid of the Future Proceeding by better enabling New Yorkers to manage their energy use. This initiative will help participating residential customers achieve savings of between \$100 and \$500 each year.

The Governor's proposed budget also includes the **Renewable Action Through Project Interconnection and Deployment (RAPID) Act** and the **Affordable Gas Transition Act**. The RAPID Act would transfer the Office of Renewable Energy Siting (ORES) from the Department of State to the Department of Public Service to create a one-stop-shop for renewable energy generation and transmission permitting. If enacted, New York would have streamlined siting and permitting processes that emphasize transparency, community engagement, continue to prioritize environmental protection, and enable faster decision making to get projects in the ground.

The Affordable Gas Transition Act would align our statutes with the Climate Act and build on the Commission's Gas Planning Proceeding. For instance, it would clarify what local gas distribution companies can and should explore in their development of long-term plans for the orderly transition of the gas system. It would establish new rules for the extension of new gas service and enable strategic decisions and investments to lower emissions from New York's existing gas infrastructure consistent with the Climate Act. Importantly, it would also ensure that existing customers continue to receive safe and reliable service throughout the transition. The Act would also complement the work that is underway to develop

thermal energy networks, a technology that enables utility customers to substitute clean thermal energy for natural gas to meet their space heating, water heating, and cooling needs.

In the Department's review of rate cases and general oversight of utilities we make sure New York has the grid infrastructure it needs to reliably support robust economic development. In our rate cases, we advocate for reducing greenhouse gas emissions and address inequities of the past. And importantly, we seek to lower rates as much as feasible. In the past year, the Commission decided eight major electric, gas, and steam utility rate cases, and collectively reduced initial utility requests by \$1.4 billion in the first rate year.

Currently, energy affordability programs reach about 1 million households in New York State; however, data indicates that there might be as many as 2.7 million income-eligible households in New York. Governor Hochul recently signed legislation to help increase enrollment in utility energy affordability programs. The Department is also expanding eligibility of the Energy Affordability Policy to median income households, introducing the Energy Affordability Guarantee pilot program, and disbursing the \$200 million appropriated in last year's budget to support energy affordability. As we further enhance our energy affordability programs, we will continue to steer by the existing goal that New York households should not pay more than 6 percent of their income toward energy costs.

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