

January 25, 2025

To: The Assembly Committees on Ways and Means Environmental Conservation, Energy, Corporations, Commissions and Authorities and the Senate Committees on Finance, Environmental Conservation, Energy and Telecommunications, and Corporations

From: Ian Donaldson, Communications and Policy Manager and Laurie Wheelock, Executive Director and Counsel of the Public Utility Law Project of New York

Re: Written Testimony for the SFY-2026 New York State Environmental Conservation Budget Hearing

Good afternoon, Members of the Joint Legislative Budget Hearing on Environmental Conservation. The Public Utility Law Project of New York (“PULP”) appreciates the opportunity to provide written testimony today.

I. INTRODUCTION

For over forty years, PULP has acted as New York’s premier advocate and information resource for New York’s low- and fixed-income utility consumers. Our focus encompasses a range of utilities, including electric, gas, water, internet, cable, and phone services. Our commitment lies in educating and empowering these households, alongside robust consumer advocacy and legal intervention in utility-related issues.

The Executive Budget includes a \$1 billion appropriation to fund climate initiatives such as “reducing greenhouse gas emissions and pollution; decarbonizing and retrofitting buildings; creating and utilizing renewable energy; advancing clean transportation initiatives; building, repairing, ... and for purposes consistent with the general findings of the scoping plan ... subject to a plan approved by the director of the budget.” There are also proposals involving the recovery of certain funds from Energy Service Companies (“ESCO’s”), increasing penalties relating to violations of the Call Before You Dig program, and more.

At the same time, PULP recognizes the urgent need for new and enhanced measures to help low-income New Yorkers achieve energy affordability. As budget negotiations progress, it’s imperative to consider the broader landscape of energy affordability in New York State, with a focus on equity and a just transition for low- and fixed-income households. The following discussion outlines PULP’s proposals for innovative strategies advance these goals, followed by a review and analysis of key budgetary elements in the Governor’s proposed budget that impact energy affordability.

II. DISCUSSION OF PULP BUDGET PROPOSALS

A. BACKGROUND ON NEW YORK STATE'S ENERGY AFFORDABILITY CRISIS

1) The Amount Owed by Residential Households Behind on Their Electric and Gas Bills Remains Far Above Pre-Pandemic Levels

On a monthly basis, each of New York's electric and natural gas investor-owned utilities files a report with the Department of Public Service ("DPS") that details how many residential customers are at risk of a service termination and how much they collectively owe in electric and natural gas arrears.¹ As of December 2024, over 1.3 million households are behind on their energy bills by sixty-days-or-more, collectively owing more than \$1.8 billion.² This represents a significant increase from December 2019, when approximately 929,000 customers owed \$742 million. Despite the implementation of Phase I and Phase II Utility Debt Relief Programs, utility arrears have grown by 33% since the application of Phase II relief and are rapidly approaching pre-relief levels. PULP has prepared the attached Addendum, which includes charts demonstrating the growth of statewide energy debt over time. Starting with how customers of individual utilities are currently faring (Chart 1) and how residential customers were doing since the onset of the COVID-19 pandemic (Chart 2).

PULP is deeply concerned by the unprecedented spike in electric and gas arrears following the application of two phases of utility debt relief. This alarming rise in arrears coincides with the unexpected early closure of the Regular Home Energy Assistance Program ("HEAP") grant on January 21, 2025. This federally funded program, which provides vital assistance to low-income households for heating costs, is a crucial lifeline during the cold winter months. Its early closure is particularly concerning and raises the risk of further increases in utility debt. PULP thanks the Governor, OTDA, and DOB, who provided \$35 million in additional funding on January 24, 2025, to re-open Regular HEAP. PULP finds this incident to be an imperative reminder of the need to assist, enhance, and support low-income households. PULP urges the state to take creative and proactive measures to support low-income households, strengthen protections, and address the growing energy affordability crisis.

2) An Overview of Recent Delivery Rate Increase Requests, PSC Approvals, and Their Impact on Ratepayers

The energy affordability crisis in New York is being compounded by a troubling trend of substantial rate increase requests submitted by utilities and the Public Service Commission's ("PSC") routine approval of significant increases. While many of the approved rate hikes are reduced from the utilities' initial filings and spread over multiple years, they still place considerable financial strain on ratepayers. The PSC has authorized double-digit rate increases in several cases, with similar proposals currently under review for National Grid upstate, the new Central Hudson case, and Orange and Rockland. These rising costs are creating real and growing financial challenges for countless households, particularly for low- and fixed-income families

¹ *See*, Case 91-M-0744, which contains energy utility monthly collections reports (AKA "CARS" reports).

² *Id.*

who often rely on PULP for assistance. This trend underscores the urgent need for continued and enhanced legislative action to address New York’s energy affordability crisis.

B. PULP’S ONGOING EFFORTS NECESSITATE ENHANCED LEGISLATIVE SUPPORT

1. A Review of PULP’s Efforts in 2024

First and foremost, PULP would like to thank the Legislature for its continued support of our vital work. The \$2 million appropriated in last year’s Enacted Budget, an increase of \$600,000 from SFY-2024, will allow us to expand our capacity by hiring four to five new staff members. These funds, which PULP expects to be accessible through our contractor NYSERDA in March or April 2025, have enabled us to begin the hiring process and start to interview candidates to join our staff. PULP has identified the need for further staff to strengthen our direct services and rate case advocacy, as demand for our work continues to rise. We are currently looking to hire another Staff Attorney, a Utility Research Assistant, and an Executive Administrator to support our growing workload. We are deeply grateful for the Legislature’s recognition of our mission and the resources provided to meet the increasing needs of New York’s utility consumers.

In 2024, PULP’s small but dedicated team navigated an unprecedented workload heightened by the pandemic’s impact on rate case timelines. We engaged in eight cases, including those referenced in the last section, and worked diligently to elevate the voices of the financially vulnerable and disadvantaged and avert harmful rate increases. Notably, PULP’s participation in the Veolia and Liberty Water rate cases was instrumental in the creation of the state’s inaugural low-income water bill discount programs within the Companies’ service territories.³

In the midst of the escalating energy affordability crisis, our work extended far beyond rate cases to providing hands-on support and guidance to low- and fixed-income residential consumers. In 2024, calls and emails for assistance from our direct services staff grew by nearly 46% over the prior year. PULP also proudly partnered with numerous community-based organizations, Senators, and Assemblymembers to host twenty-five utility workshops, clinics, and trainings across the state. At these events, we collaborated with key stakeholders, including local Departments of Social Services, Department of Public Service (“DPS”), utilities, and the regional Clean Energy Hubs, to provide residents with practical assistance. Our team helped attendees navigate and apply for essential programs like the Energy Affordability Program (“EAP”), the Home Energy Assistance Program (“HEAP”), and EmPower Plus, among others. Especially critical during the high-bill winter months, these sessions not only aid in managing utility costs but also demonstrate PULP’s dedication to hands-on support and building collaborative efforts for the betterment of our communities.

2) PULP Respectfully Requests an Appropriation of \$2,250,000 Million in the SFY 2025 Budget

As we examine the trend of escalating utility bills, PULP’s work to advocate for fair and equitable utility services for all, especially the most vulnerable, is more vital than ever. However,

³ See, Joint Proposal and Appendices, Case 23-W-0111, at 41-42. Available at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={403BD68C-0000-C21D-81D1-B7E02A42D4D1}>.

our commitment to championing the rights of utility consumers in New York has reached a pivotal moment, necessitating increased legislative support. The growing volume of direct service cases, along with the critical role we play in rate case and policy proceedings, particularly for the Climate Leadership and Community Protection Act's ("CLCPA") implementation, demands a significant expansion of our team.

An appropriation increasing PULP's funding by **\$250,000** would allow our group to hire at least two additional full-time staff members and potentially one part-time staff member to assist with intake, direct services, and rate case work. This amount would be used for salary, along with providing benefits, including health/vision/dental insurance and retirement, so that our organization can remain competitive with New York State's Agencies. With such funding, we can continue to deliver the level of service and advocacy the Legislature has come to expect of us and effectively address the evolving challenges in utility consumer advocacy.

It's important to note that PULP was one of the many stakeholders who would have benefited from your Intervenor Funding legislation, S.2477 (Parker)/A.836 (Solages), which passed both houses in 2022, 2023, and 2024, but was ultimately vetoed by the Governor all three times.⁴ The Assembly and Senate can bolster its support for our essential work here by supporting a \$250,000 increase in our line item and including us in their One-House Budgets.

C. THE IMPLEMENTATION OF DATA MATCHING NECESSITATES INCREASED SUPPORT FOR THE STATE'S ENERGY AFFORDABILITY PROGRAM ("EAP")

1) Background on New York State's Energy Affordability Policy

In May 2016, New York State took an important step towards energy affordability when it established a policy that no low-income utility consumer should spend more than 6% of their monthly household income on their energy bills.⁵ In its Order, the PSC directed each regulated electric and natural gas company to develop a monthly bill discount for customers that have been identified as low-income. The discount is based on Census data and typical utility bills, not on an individual household's financial circumstances. As a result, once a customer is enrolled in the EAP, they receive credits designed to ensure that the "average" household is not spending more than 6% on their monthly energy bill.

The EAP overall has proven incredibly beneficial to the households that are enrolled in their utility's low-income discount program. For instance, National Grid NYC customers who heat with gas can receive anywhere from \$40 to \$89 off their monthly bills depending on their income tier.⁶ However, PULP estimates that up to 1.1 million households statewide are eligible for, but do not receive, the benefit. Moreover, not every household currently enrolled in the EAP receives the correct benefit amount to lower their energy burden to 6%. PULP estimates that

⁴ *See*, Veto No. 69 (2024), Veto No. 64 (2023) and Veto No. 161 (2022).

⁵ *See*, Case 14-M-0565, Order Adopting Low Income Program Modifications and Directing Utility Filings, Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers (May 20, 2016) at 8.

⁶ National Grid NYC's current EAP levels for heating customers, <https://www.nationalgridus.com/NY-Home/Bill-Help/Energy-Affordability-Program?regionkey=nymetro&customertype=home>; income tier is parallel to the HEAP tiers established by OTDA.

these enrollment discrepancies have led to a \$1.75 billion affordability gap that comprises all low-income households, whether or not they are enrolled in the EAP.⁷

2) The EAP Works and Actually Saves All Ratepayers Money

The EAP has proven to be highly effective in reducing utility arrears and helping to prevent low-income utility customers from being at risk for service termination. For example, during the pandemic period (from 2020 through June 2022), the overall arrears of low-income households enrolled in EAP rose at a much slower rate compared to those not enrolled. Specifically, arrears per EAP participant rose by 50%, whereas arrears per non-EAP residential customer increased by 89% during the pandemic period.^{8,9}

PULP therefore estimates that, due to the program, residential ratepayers collectively avoided \$89 million in costs associated with providing arrears relief for low-income households. In absence of EAP discounts, the arrears of participants would have likely increased at the same rate as non-participants, necessitating an additional \$380 million in arrears relief, or \$559 million when factoring in the carrying costs (interest) established under the Phase II arrears relief Order.¹⁰

Additionally, the cost of EAP to ratepayers is relatively modest. For the 2022-2023 program year, PULP estimates that the total funding for EAP was approximately \$243 million, equating to just \$20 per year for the average residential electric customer and \$21 per year for the average residential gas customer – less than \$2 per month for each service.^{11,12,13} This analysis underscores how effective EAP is in delivering significant relief for its participants and also reducing the financial burden of arrears relief programs

3) EAP Enrollment Should Increase Statewide in 2025 Thanks to the Implementation of Utility Data Matching

PULP would like to thank the Legislature once again for its support of utility data matching, which passed both houses and was signed into law by the Governor in December 2023.¹⁴ This law, which will replicate a process already used by the NYC Human Resources

⁷ See, 14-M-0565, June 2022 EAP Quarterly Reports; PULP's estimates are a compilation of all the utility data for enrollment as of June 30, 2022, EAP Quarterly Reports and the U.S. Census Bureau's 2021 American Community Survey.

⁸ See: Utility Collections Activity Reports (CARs) filed with the New York State Public Service Commission, Case 91-M-0744. Available at:

<https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=1331&MNO=91-M-0744>.

⁹ See: Quarterly/Monthly Utility Low-Income Reports filed by each utility with the Public Service Commission, Case 14-M-0565. Available at:

<https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=14-M-0565>.

¹⁰ Supra, 8 – 12, at 5.

¹¹ See: Annual EAP Reports filed by each utility for the 2022-2023 program year, Case 14-M-0565. Available at: <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=14-M-0565>.

¹² See: PULP Proposal - \$200 Million State Budget Appropriation, Cases 14-M-0565, 23-M-0298 (Appendix A). Available at: <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D08D848A-0000-CC37-9C81-43E6B6A88193}>.

¹³ See: PULP Proposal - \$200 Million State Budget Appropriation, Cases 14-M-0565, 23-M-0298 (Appendix B). Available at: <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D08D848A-0000-C454-8B4E-2F53AC78993E}>.

¹⁴ See, Chapter 764 of the Laws of 2023.

Administration (“HRA”), directs the State Office of Temporary and Disability Assistance (“OTDA”) to identify eligible households and “data match” with the utilities to automatically enroll low-income customers in the EAP, without the need for them to submit a burdensome application and prove enrollment eligibility. As the program comes online in early-2025, this program will represent a significant advancement in our shared goal of ensuring equitable access to essential utility services for low- and fixed-income New Yorkers. PULP believes that the State’s utility data match program will be successful and as a result, the State should prepare for the enrollment of new customers into their electric and gas utility companies’ low-income programs by the start of 2025.

Currently, the EAP program is implemented by the Commission Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings (issued and effective August 12, 2021) in Case 14-M-0565 (the “Order”).¹⁵ To date, the program has been funded entirely by ratepayers. Essentially, each utility sets an annual budget for the program that is no more than 2% of its revenues. The utilities then use the Commission’s ordered formula to calculate the EAP credits that will be offered for the year based on the type of service the customer receives, and their Tier Level.¹⁶ As we understand the program, once a utility has hit their 2% budget cap, there is no more room to continue to add people to the program without lowering the monthly credit amount, to ensure the proper allocation of the maximum budget allowed under the cap.

It is also PULP’s understanding, based on meetings with the EAP Working Group, that many if not most of the investor-owned electric and gas utilities are at or near their 2% budget caps. For the purpose of gauging how many household might be auto-enrolled into EAP come 2025, PULP monitors OTDA’s monthly “Temporary and Disability Assistance Statistics” reports, which are filed on OTDA’s website.¹⁷ As of October 2024, there were 694,972 recipients of Temporary Assistance in New York State.¹⁸ While some of the recipients of Temporary Assistance may already be enrolled in their utility company’s EAP, PULP is unaware of any database that exists that would allow us to further deduce the eligibility pool. As such, we encourage the State to use this figure as it determines how many households could become eligible for EAP when automatic data matching occurs in early 2025.

PULP is concerned that the influx of new low-income customers without a plan to support their enrollment will ultimately result in a decrease in the EAP credits for all enrolled customers. This situation could prove detrimental as it would diminish the financial relief long-standing beneficiaries have come to rely on, while also disheartening newly enrolled customers who may receive less than the anticipated full benefit.

4) PULP Respectfully Requests the Legislature Appropriate \$200,000,000 to the Energy Affordability Program

PULP believes that the most effective strategy to safeguard the existing EAP is to provide a dedicated line item through the NYS budget. Specifically, we advocate for an allocation of \$200,000,000 to ensure the program’s stability as data matching introduces new enrollees in

¹⁵ *See*, generally, Case 14-M-0565, Order Adopting Low Income Program Modifications and Directing Utility Filings, Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers (May 20, 2016)

¹⁶ Most of the investor-owned utilities have 4 EAP Tiers which are based on factors determining HEAP grant levels.

¹⁷ *See*, OTDA’s Temporary and Disability Monthly Statistics, available at: <https://otda.ny.gov/resources/caseload/>

¹⁸ *Id.* at October 2024 Report, Table 2 at 6, available at: <https://otda.ny.gov/resources/caseload/2024/2024-10-stats.pdf>

early-2025. We maintain this proactive measure is crucial to mitigate any potential benefit reductions and uphold the EAP’s integrity and effectiveness when the influx of new participants begins to be added to the program. In doing so, the State can preserve the program’s current effectiveness but also guarantee that the enhanced enrollment does not compromise the quality of assistance.

a. A Note on the Expansion of the EAP Program to Moderate-Income Households (“Expanded EAP”)

The SFY 2024 Enacted Budget created an expanded EAP benefit to include residential electric and gas customers with household incomes below the state median, and PULP supported this program aimed at assisting moderate income customers¹⁹ Moreover, the SFY 2024 Enacted Budget also included an additional one-time appropriation of \$200 million for “prompt assistance to utility customers related to the costs of utility affordability programs....”²⁰ As a member of the EAP Working Group, PULP is aware that there were several meetings over the Summer and Fall of 2023 focused on how Expanded EAP could be established and implemented. Unfortunately, as of the date of this submission, there is no official whitepaper or a DPS Staff Proposal for the Expanded EAP benefit.

If a proposal for Expanded EAP is released concurrent to budget negotiations, PULP would advocate for a clear funding mechanism for the upcoming year to safeguard against any potential financial shortfalls. Further, to enhance transparency and accountability, we ask that there be an annual reporting requirement from the Department of Public Service. We believe this report could serve as an important tool for the Legislature to monitor the program’s implementation progress and its eventual progress. Such a requirement would ensure ongoing, data-driven reviews and facilitate continuous improvement and adaptation to meet the evolving needs of New York’s residents.

D. THE STATE SHOULD ESTABLISH CASH ASSISTANCE FOR COOLING TO HELP PAY HIGH SUMMER ELECTRIC BILL

PULP advocates for a \$150 million appropriation to establish a Cooling Cash Assistance program to provide direct financial support to low-income New Yorkers struggling with high summer electricity bills. While the current HEAP Cooling program offers air conditioners or fans to eligible households, it does not address the financial burden of increased electric usage during summer months.²¹ As a result, many low-income households avoid using cooling devices altogether due to fear of unaffordable bills. This leaves vulnerable populations – such as the elderly, individuals with medical conditions exacerbated by heat, and families with young children – at significant health risk from heat-related illnesses, including dehydration, heat exhaustion, and heat stroke.

PULP envisions the program could function as a seasonal cash grant, like HEAP’s winter heating benefit, where eligible households receive a one-time payment or direct credit toward their utility account to help cover summer electricity costs. PULP believes the program could leverage existing infrastructure to be implemented quickly and efficiently. Eligibility could align

¹⁹ *See*, PULP Testimony Before the Joint Legislative Budget Committee on Environmental Conservation, February 14, 2023, at 5.

²⁰ *See*, Chapter 53 of the Laws of 2023, at 1189.

²¹ *See*, HEAP cooling, available at: <https://otda.ny.gov/programs/heap/>

with existing criteria for HEAP to ensure assistance reaches those most in need. Such a program would help residents stay cool and safe in their homes during the hottest summer months. It would also likely help prevent the accrual of arrears, similar to the regular HEAP benefit.

E. THE STATE SHOULD ESTABLISH AN OFFICE OF ENERGY AND EQUITY TO MONITOR AFFORDABILITY PROGRAMMING

PULP proposes the establishment of a standalone Office of Energy and Equity to oversee and coordinate New York’s energy affordability programs. This office would ensure that all eligible households have equitable access to available programs, streamline their administration, and align resources to maximize support for low-income households across the state. With existing and new low-income programs from EAP, the Expanded EAP, NYPA Reach, Solar and Storage for all, and more, PULP believes that there should be one entity overseeing all of these programs. This will help enhance accountability and equity of these programs.

F. THE STATE SHOULD STUDY ENERGY AFFORDABILITY ANNUALLY

Building off the Climate Affordability Study released in 2023, PULP suggests the issuance of an annual report to evaluate the impact of clean energy program costs on ratepayers. This report should include additional agencies like the Office of Temporary and Disability Assistance and expand its scope to include strategies to mitigate costs for vulnerable households, leverage federal funds, and enhance public transparency and engagement in achieving an equitable clean energy transition. Having this type of data provided to the public on an annual basis will allow for informed planning and efforts to better achieve energy affordability.

G. THE STATE SHOULD CODIFY AND FUND A UTILITY INTERVENOR FUNDING PROGRAM

As discussed above, legislation to establish a utility intervenor program has been vetoed three years in a row. PULP advocates for the inclusion of a \$1 million appropriation and Article VII language to create a utility intervenor funding program. This funding would enable nonprofit organizations and community groups to participate effectively in utility proceedings, ensuring equitable representation and advocacy for residential households. The \$1 million would act as seed funding to start the program and allow individuals and organizations to begin accessing the program in 2025. Providing intervenor funding will help level the playing field in rate cases and policy proceedings, which will help produce stronger outcomes that will benefit the overall public.

III. DISCUSSION OF PROPOSALS IN THE GOVERNOR’S EXECUTIVE BUDGET

A. ENERGY AFFORDABILITY PROGRAMS SHOULD BE FUNDED AS PART OF THE \$1 BILLION APPROPRIATION

The Climate Justice Working Group’s Final and Approved Plan highlights the importance of energy affordability. Specifically, elevating strategies designed to target concrete benefits to individuals in Disadvantaged Communities. One such method identified by the CLWG is “[a]ddressing energy affordability concerns and reducing energy burden.”²² Funding

²² Scoping Plan, Full Report, at 7, available at: <https://climate.ny.gov/resources/scoping-plan/>

existing programs, such as EAP is one way to achieve greater energy affordability for low-income and DACs. Moreover, energy efficiency programs, including EmPower Plus, will further support the reduction of the energy burden facing low-income New Yorkers and DACs. Due to the arrears information discussed above, and the early closure of Regular HEAP, now more than ever, New York State needs to think creatively about how it can better assist with high energy burdens.

B. THE EXECUTIVE BUDGET PROPOSES A FIVE-YEAR EXTENSION OF FINANCING FOR UTILITY OVERSIGHT THROUGH UTILITY ASSESSMENTS (TED PART XX)

1) PULP Cautions Against a Five-Year Extension of This Authority

In a departure from previous practice, the Executive Budget proposes to extend the financing authority for utility oversight through utility assessments from a one-year to a five-year term. PULP is concerned that this change will eliminate the annual process that fosters a transparent and accountable review. We recognize that a longer-term extension may offer stability and predictability for the State’s Agencies, but caution that it’s crucial to balance this against the benefits of a robust stakeholder engagement and scrutiny process that better aligns with the public need.

2) Intervenor Funding for Participation Before the PSC Should Also Be Reconsidered

PULP notes that this extension simply mirrors how the DPS currently finances itself – through assessments on public utility companies, pursuant to PSL §18-a, a cost ultimately borne by ratepayers. However, this approach contrasts sharply with Governor Hochul's position for the third consecutive year, as she vetoed legislation aimed to enable nonprofits and individual groups to seek reimbursement for reasonable costs incurred during participation in utility rate cases and other policy proceedings before the Commission.²³

PULP believes that the discrepancy between the state’s readiness to finance its own Agencies’ involvements in these processes –while denying similar support to nonprofits and public groups– undermines the principles of equitable participation in these proceedings. This imbalance is further demonstrated by the fact that in the past, New York’s investor-owned utilities were allowed to bill their customers nearly \$19 million to cover expenses for lawyers, consultants, and expert witnesses in their last round of rate cases alone.²⁴

For the PSC’s regulatory process to function effectively, it’s crucial to ensure robust and independent consumer representation, separate and apart from the regulatory bodies themselves. However, the length, cost, and complexity of these proceedings often pose significant challenges to grassroots organizations and consumer advocates. PULP herein emphasizes the need for a more balanced and inclusive approach to funding participation in these critical regulatory processes, ensuring that all voices are heard and adequately supported.

²³ *See*, Veto No. 64 of 2023; also, Veto No. 161 of 2022.

²⁴ *See*, “The Great Utility Ratepayer Divide,” AARP-NY, October 12, 2022, <https://aarp-states.brightspotcdn.com/8c/db/df624d0845a888eed76832e8470/the-great-utility-rate-payer-divide-10-12-22.pdf>

C. THE GOVERNOR PROPOSES TO EXPAND AND EXTEND PUBLIC BROADBAND AND CELL SERVICE

PULP was pleased to see included in the Governor’s State of the State book, a plan to launch the Excelsior Broadband Network (“EBN”) and the Mobile Service Connectivity Initiative. The EBN was described as an effort to “connect a network of public broadband assets across the state ... and the first component will be a new fiber line that runs the full length of the New York Thruway.”²⁵

Unfortunately, PULP was unable to locate these initiatives in any of the Article VII or appropriation bills. PULP is grateful NYS continues to look for ways to leverage State and other existing resources, to build out the broadband network. Full coverage cell service across our vast State also remains a concern. PULP is generally supportive of both initiatives, but we would like to see specific Article VII language to help establish the program. Without knowing more critical facts about these initiatives, such as timeline, funding, and more, we are hesitant to fully support these efforts at this time.

D. THE GOVERNOR PROPOSES TO CLOSE A LOOPHOLE EXPLOITED BY ESCO’S (TED PART WW)

PULP believes this legislation is a commonsense step forward to protect consumers and ensure accountability in the energy space. Under current law, Energy Service Companies (“ESCO’s”) are not required to remit unclaimed customer refunds or deposits to the Abandoned Property Fund, creating a significant gap in consumer protections. When customers move, ESCOs abandon their presence in New York, or other circumstances arise, it is our belief that unclaimed funds are often retained by these companies, rather than being returned to their rightful owners or transferred to the State Comptroller for safekeeping. This loophole leaves consumers vulnerable to losing money that rightfully belongs to them.

Through amendments to the Abandoned Property Law to include ESCOs under its provisions, this bill will help ensure that these unclaimed funds are treated with the same protections as those held by other energy utility providers. These changes provide a fairer system, ensure greater equity for consumers, and demonstrate New York State’s commitment to protecting residents from exploitative practices in the energy marketplace.

E. THE GOVERNOR PROPOSES TO RAISE PENALTIES FOR NONCOMPLIANCE WITH “CALL BEFORE YOU DIG” PROGRAM – (TED PART YY)

This bill proposes to increase civil penalties for violations of the “Call Before You Dig” program to enhance compliance and improve public safety. The proposal would double existing fines for non-compliance with the statute, which PULP believes has not been updated since

²⁵ See, 2025 Governor Hochul’s State of the State book, at 67, available at: <https://www.governor.ny.gov/sites/default/files/2025-01/2025StateoftheStateBook.pdf>.

2013. Currently, revenues collected from enforcement action are directed towards the general fund of the state treasury. TED Part YY would alter that and instead direct revenues from penalties to the Environmental Protection Fund beginning October 1, 2025.

While we fully support deterring negligent excavation and recognize the importance of environmental protection, PULP believes that revenue from these penalties, which stem from utility-related activities, would be more appropriately directed toward addressing the pressing affordability challenges faced by utility customers. Allocating these funds to the Energy Affordability Program budget would provide direct relief to struggling households and ensure penalties are reinvested in ways that align with their source.

F. THE GOVERNOR PROPOSES TO ALLOW SOME DATA SHARING BETWEEN DTF, DEC, AND NYSERDA FOR CLCPA IMPLEMENTATION – (TED PART ZZ)

This proposal would authorize the Department of Taxation and Finance (“DTF”) to share tax data from petroleum and fossil fuel businesses with the Department of Environmental Conservation (“DEC”) and the New York State Energy Research and Development Authority (“NYSERDA”). According to the Executive, this data would support the implementation of programs under the Climate Leadership and Community Protection Act (“CLCPA”) by providing DEC and NYSERDA with critical information to develop and administer initiatives to meet the state’s greenhouse gas emissions reduction targets. PULP believes this data is likely intended to inform the development of the New York Cap and Invest Program (“NYCI”).

While this proposal has the potential to enhance the implementation of the CLCPA, PULP notes that it lacks clarity on how the data will be specifically utilized. Moreover, it is essential to ensure that the information directly supports program implementation without creating unintended consequences for consumers. Clear guidelines should be established to detail how the data will inform the development and administration of initiatives, such as the NYCI Program, and to ensure these efforts align with policy goals without imposing additional burdens on consumers or businesses.

Lastly, PULP is encouraged to see the consideration of a data-sharing agreement between DTF and other state agencies/authorities as a tool to advance public policy goals, such as the implementation of the CLCPA. This approach highlights the importance of interagency collaboration in improving the effectiveness and efficiency of government programs, a principle PULP has long advocated for. We are hopeful that the state will explore additional frameworks and partnerships to facilitate the streamlined enrollment of eligible households in public benefit programs. Such efforts would ensure households have comprehensive access to essential benefits, fostering a more inclusive, efficient, and just energy transition.

G. MISCELLANEOUS

PULP appreciates the opportunity to provide the testimony herein. Unfortunately, by the date of our submission, we were unable to review and provide comments on 1) the 3-Year

Extender Clean Heating Fuel Credit as found in REV Part Y and 2) the 1-Year Extender for NYSERDA Special Assessment (TED Part VV). PULP will review these proposals at a later date, and we would happily provide comments following that review.

IV. CONCLUSION

PULP appreciates the opportunity to provide written testimony at today's Joint Budget Hearing on Environmental Conservation. We thank Governor Hochul for raising energy affordability in the Executive Budget and encourage the Legislature to consider the recommendations and questions PULP has raised in our testimony. Thank you.

Ian Donaldson
Communications and Policy Manager
The Public Utility Law Project

Laurie Wheelock, Esq.
Executive Director and Counsel
The Public Utility Law Project

Addendum

CHART #1: RESIDENTIAL ARREARS BY UTILITY (DEC 2024)

Company	Accounts in 60+ arrears	\$\$\$ Amount Owed
CHGE	55,171	\$133,896,359
Con Edison	496,007	\$948,402,457
KEDLI (Grid LI)	47,460	\$37,009,090
KEDNY (Grid NYC)	195,364	\$166,244,699
National Fuel Gas	50,471	\$22,292,188
NYSEG	101,805	\$65,288,468
NiMo (Grid Upstate)	234,694	\$309,028,055
O&R	19,574	\$21,423,027
PSEG-LI*	115,650	\$77,009,408
RG&E	67,284	\$76,938,256
TOTAL ALL	1,383,480	\$1,857,532,007

CHART #2: AVERAGE RESIDENTIAL ARREARS BY UTILITY (DEC 2019)

Utility	Average Residential Arrears By Utility - 2019								
	EAP			Non-EAP			Total		
	Customers	Amount	Per Customer	Customers	Amount	Per Customer	Customers	Amount	Per Customer
Con Edison	129,687	\$108,787,829	\$839	165,022	\$205,129,054	\$1,243	294,709	\$313,916,884	\$1,065
Central Hudson	5,223	\$4,143,201	\$793	16,755	\$4,998,757	\$298	21,978	\$9,141,958	\$416
KEDLI	4,832	\$2,725,025	\$564	38,832	\$21,217,194	\$546	43,664	\$23,942,220	\$548
KEDNY	46,654	\$19,320,986	\$414	104,258	\$50,778,816	\$487	150,912	\$70,099,802	\$465
NFG	13,011	\$7,203,077	\$554	29,518	\$14,446,056	\$489	42,530	\$21,649,133	\$509
NIMO	64,512	\$80,428,886	\$1,247	135,903	\$123,305,417	\$907	200,415	\$203,734,302	\$1,017
NYSEG	26,248	\$19,029,127	\$725	69,794	\$24,555,828	\$352	96,042	\$43,584,955	\$454
ORU	3,989	\$3,093,476	\$776	14,149	\$9,364,869	\$662	18,138	\$12,458,345	\$687
RG&E	22,235	\$27,882,480	\$1,254	39,369	\$20,965,297	\$533	61,604	\$48,847,777	\$793
Total	316,390	\$272,614,088	\$862	613,600	\$474,761,288	\$774	929,990	\$747,375,376	\$804