



SENATE FINANCE COMMITTEE
and the
ASSEMBLY WAYS AND MEANS COMMITTEE

Testimony of New York State Department of Public Service

January 28, 2025

Good morning, Chair Krueger, Chair Pretlow, 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 the utility companies that own and operate the infrastructure through which customers receive these essential services and to protect these customers in doing so. Our agency's mission is to ensure these entities provide safe and reliable service at just and reasonable rates, in alignment with State law, including the Climate Leadership and Community Protection Act, or Climate Act, and in a way that protects natural resources. Pursuit of this mission works hand-in-glove with Governor Hochul's commitment to an affordable and reliable clean energy future.

Today, after more than a decade of energy usage that has remained flat, due in part to hard-won gains in energy efficiency, forecasts now show electricity demand rising significantly over the coming years to keep pace with new industries and economic development, as well as the electrification of buildings and transportation. Through the Governor's leadership, we are bringing new jobs and businesses to New York – in great part because the State's commitment to clean energy aligns with their corporate policies – and advancing our transition to a clean economy.

Clean energy will provide the backbone for continued economic growth in New York, consistent with the principles enshrined in the Department's mission: affordability and reliability. But to meet this moment, we need to build more clean

generation and transmission, maximize our resources to the benefit of consumers, and proactively plan for our future energy system and the increasing uncertainties under which those systems will operate.

Over the past year, the Department and the Commission have taken several steps to advance these priorities. The Department has progressed the Coordinated Grid Planning Process, which will enable the Commission and the state's utilities to identify where transmission and distribution investments would enable the integration of clean energy resources. The Commission launched a Proactive Planning Proceeding to identify where transportation and building electrification will require grid upgrades. And, following the Governor's directive in her 2024 State of the State, the Commission initiated the Grid of the Future Proceeding to increase the deployment and use of flexible resources in grid planning and operations to ensure that New York gets maximal value from its grid and available demand side resources. In addition, the Commission approved a new framework for the State to achieve a nation-leading six gigawatts of energy storage by 2030. The Department has continued moving the zero emissions by 2040 proceeding forward, most recently developing a whitepaper for Commission consideration. The Department and Commission have also continued to steer the development of gas utilities' long-term plans.

Following the passage of the Renewable Action Through Project Interconnection and Deployment or RAPID Act in the 2024-2025 Enacted Budget, the Office of Renewable Energy Siting, or ORES, was transferred to the Department to create a one-stop-shop for siting and permitting major renewable energy generation and electric transmission projects. The RAPID Act prioritizes transparency, community engagement, environmental protection and faster decision-making to enhance the

pace of project implementation. In 2024 alone, ORES issued four final siting permits for major renewable generation facilities, representing over 600 megawatts (MW) of new clean energy, providing enough electricity to power more than 161,000 homes.

In addition to these major policy actions, the Commission continues to build on its long history of evaluating emerging risks to ensure the safe, reliable, and resilient operation of our energy systems. Over the past year, the Commission evaluated seasonal and long-term weather trends, winter and summer gas and electric system readiness, cybersecurity threats, economic trends and supply chain concerns to current and potential future energy policies. The Commission approved electric emergency response plans for the State's major electric utilities and the Department continued to coordinate emergency response for storm-related utility impacts. The Commission also approved the Climate Change Resilience Plans filed by many of New York's utilities and initiated a proceeding to develop uniform, best-in-class protections for extreme heat. These actions underscore the Commission's commitment to ensuring investments in our energy system are designed to withstand the impacts of a changing climate while mitigating energy burdens for utility customers.

A key role of the Commission and the Department is to review rate cases and, through this process, deliver rates that strike a balance between affordability, reliability, and safety. In the past year, the Commission decided five major electric, gas, and water utility rate cases, adopting rates well below what utilities initially sought and thereby avoiding approximately \$437 million in costs to ratepayers.

The rate case process is only one piece of the Commission and the Department's work to advance energy affordability. The Commission and Department are committed to pursuing the goal that New York households should not pay more than 6% of their income toward energy costs.

Thanks to the leadership of the Governor and the Legislature, in 2024 the Commission established a \$200 million New York State energy bill credit that was administered by the State's large electric and gas utilities, making more than \$1.4 billion available to New York consumers to help offset energy costs when combined with prior efforts to reduce utility arrears. The Department is also expanding eligibility for the Energy Affordability Policy (EAP), making it available to all households at or below the State's median household income. Additionally, Department staff worked with the utilities to implement Governor Hochul's legislation designed to increase enrollment in utility energy affordability programs by expanding automatic enrollment. This work was done in coordination with the Office of Temporary Disability Assistance and the State's utilities. The Commission also acted on the Governor's directive to implement the Statewide Solar for All program to efficiently deliver clean energy savings to low-income households.

The Commission and the Department continuously identify opportunities to strengthen utility oversight and enhance consumer protections. In 2024, the Commission levied \$23.5 million in financial penalties against five utilities for failing to meet 2023 customer service standards. The Commission also secured \$115 million cumulatively from utility shareholders in enforcement proceedings against utilities that the Department's Office of Investigations and Enforcement alleged violated the Public Service Law, or regulations. Additionally, the Commission approved an enforcement settlement with Charter Communications to further

expand access to affordable broadband for low-income customers across the State. This action was furthered by the Commission's recent action to reinstate the Affordable Broadband Act, which connects qualifying low-income households with service at just 15 dollars per month. New York became the first state in the nation to require internet service providers to offer this discounted broadband service and the Commission will work to ensure all providers fully comply with the law.

The Governor has proposed a budget that will help us build on these successes. The 2025-26 State of the State and Executive Budget includes \$149 million in funding to support the Department's operations and calls on the Department to advance several proposals to align economic development and clean energy initiatives in a way that lowers the cost of the clean energy transition. To align the development of clean energy generation and transmission expansion plans, the Governor called on the Department to identify **Clean Energy Zones (CEZ)**. Clean Energy Zones will build on the Department's Coordinated Grid Planning Proceeding to reduce project risks, further engage communities, and support economic development with clean generation and transmission deployment.

Another new program, the **Promote Opportunity with Electric Readiness for Underdeveloped Properties, or POWER UP**, is designed to create power-ready sites and attract new businesses to the state. With a commitment of \$300 million in seed funding, the program would help to defray grid interconnection and other costs to new businesses that are seeking to relocate to, or expand in, New York. The Department – in partnership with Empire State Development – will provide expertise in utility capital planning and identify potential sites that bundle clean energy resources.

Given the growing demand for clean energy, the Governor also announced the development of the **Master Plan for Responsible Advanced Nuclear Development**. The Department will work with NYSERDA and other State partners to evaluate the role of nuclear energy in New York State and build out the Master Plan responsibly.

The Department can only deliver on its mission with input from the public. Public statement hearings, both in-person and virtual, are a vital tool for public engagement in rate cases, siting and permitting reviews, and other proceedings. Last year, we held more than 52 public statement hearings and meetings, attended by thousands of New Yorkers, and received over 10,000 public comments in hundreds of proceedings that played a key role in decision-making. The Department fielded over 42,000 consumer calls, handled approximately 20,000 consumer inquiries and complaints, and returned nearly \$13 million in utility consumer refunds, an increase of 75 percent from 2023. Together, these interactions inform our approach to our mission and to the companies we regulate.

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 continued support. This concludes my remarks. I welcome your questions.