



**Public Service
Commission**

**SENATE FINANCE COMMITTEE
and the
ASSEMBLY WAYS AND MEANS COMMITTEE**

**Testimony of Rory Christian
Chair and Chief Executive Officer
New York State Public Service Commission**

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Good morning, Chair Krueger, Chair Pretlow, and distinguished members of the Legislature. Thank you for the opportunity to appear before you today.

My name is Rory Christian, and I serve as the Chief Executive Officer of the New York State Department of Public Service and Chair of the New York State Public Service Commission.

We are asking more of New York's energy system today than at any point in our history, while continuing to demand from it the same level of reliability, safety, and affordability that New Yorkers have long and rightly expected. We are asking it to withstand increasingly frequent and severe weather, to become cleaner without becoming less affordable, and to power a growing, electrifying economy with infrastructure that was designed and built for a very different era.

At a moment of profound uncertainty at the national level, state leadership is not optional, it is indispensable. And in New York, that leadership is shared. It is exercised by the Legislature, by the Governor, by my fellow Commissioners, by the dedicated staff of the Department of Public Service, and by public servants across state government who are committed to safeguarding the public interest.

Nearly 120 years ago, the Commission was established to ensure that utilities provide safe and reliable service at just and reasonable rates. That core mandate has not changed, but the world in which we carry it out has.

Our regulatory jurisdiction extends over New York's investor-owned utilities, including six major electric-gas utilities, five major gas-only utilities, and two major water companies. We also have jurisdiction over small telephone companies,

hundreds of small water companies, nearly 40 municipal utilities, cable companies, power generators and energy service companies.

With 575 Department staff, seven Commissioners, and a proposed Fiscal Year 2027 operating budget of roughly \$154 million, the Department delivers public value that far exceeds its operating cost.

It would be impossible to speak credibly about New York's energy system today without addressing affordability directly. Energy costs are a weight felt acutely by all New Yorkers. The question before us is not whether this energy cost burden exists, but rather how we confront it. The Commission uses every tool within its regulatory authority to protect New York ratepayers. Through rate cases, audits, enforcement actions, policy proceedings, and programs, affordability is a central tenant of our efforts.

It is with rate cases where that responsibility is most direct. Rate cases are rigorous, transparent, data-driven proceedings in which Department staff and engaged stakeholders scrutinize each and every investment proposed by the utility. Absent this vetting process, New York State law requires that utilities receive their requested increases, often hundreds of millions of dollars more than what is ultimately approved by the Commission.

While utility bills today are higher than we would like, they remain below the national average. That fact does not diminish the affordability challenge, but it does reflect the effectiveness of New York's regulatory framework in containing pressures that are being felt nationwide.

Those pressures include inflation, elevated interest rates, global supply-chain disruptions, and the growing cost of maintaining and replacing aging infrastructure that must continue to operate safely and reliably in the face of increasing demand.

The Commission's oversight does not end when rates are approved. The Commission conducts audits, reviews utility management practices, and investigates utilities when performance or conduct warrants it. Where violations are found, penalties are imposed, and funds are returned to ratepayers. Since the beginning of 2020, the Commission has secured nearly \$250 million from utility shareholders to the express benefit of customers.

Building on these successes, the Commission is grateful for Governor Hochul's leadership and making energy affordability a central pillar of her policy agenda.

Since its establishment a decade ago, the Energy Affordability Program has delivered billions of dollars in utility bill relief. And beginning in January of this year, the Enhanced Energy Affordability Program extended eligibility to moderate-income households, totaling 1.6 million additional New Yorkers. We are already serving more than 1 million households per year, but millions more are eligible to receive discounts on their utility bill through these programs. That is why the Governor is also proposing a whole-of-government approach to streamline enrollment and avoid redundancy in administration across several New York State agencies. Your engagement with your constituents would go a long way in informing consumers about these programs.

However, if current trends continue, even households at or above the state median income level may eventually face energy burdens exceeding the established six percent energy affordability target.

To avoid that outcome, the Executive Budget includes a proposal to allow the Commission to appoint an Independent Affordability Monitor if any utility in New York is failing to protect energy affordability. The Monitor would inform the Commission on potential cost saving measures and shine a larger spotlight on the causes of the affordability challenges.

The Governor has also proposed affordability initiatives to reform the rate case process and protect consumers. Her proposal would require utilities to file a budget-bounded rate increase in parallel with any proposal to increase rates. Additionally, utilities would be required to benchmark and report CEO salary to employee median salary, and link CEO salary to performance metrics and utility return on equity, or ROE. DPS would review utility bills to ensure customers never foot the bill for inappropriate utility spending.

The Governor is also proposing increasing the statutory deadline for Commission decision on a proposed rate from 11 months to 15 months to provide additional time for stakeholder engagement and improve customer outcomes. By improving how rate cases are conducted, New York will protect consumers, promote fair outcomes, and put affordability at the center of utility oversight.

The Governor's proposed budget will also protect tenants by allowing utilities to secure liens against landlords who default on their utility bills. Every year, thousands of New Yorkers living in multiple-unit dwellings have been at risk of utility shutoffs

due to landowner nonpayment. By giving utilities an alternative means of recovering from at-fault landlords, this proposal would protect these tenants from utility shutoffs.

In New York, the implementation of the Climate Leadership and Community Protection Act, or Climate Act, is central to the affordability discussion. As a key agency responsible for implementing this law, last year, the Commission issued a comprehensive report detailing the costs and customer bill impacts associated with Climate Act implementation. That report shows that climate-related programs currently account for approximately five to ten percent of electric utility rates, on average but is only one of many drivers of utility rates.

At the same time, the Commission has continued to invest in programs that support long-term affordability. We've increased annual support for low- and moderate-income programs by \$132 million, including \$50 million more for the EmPower Plus program. Now, on planning. For much of the past two decades, New York's success in advancing energy efficiency measures meant relatively flat—or even declining—load.

Today, demand across the State is rising sharply. If current forecasts hold, New York is facing load growth at a scale and pace never experienced in the history of our energy system.

This growth, however, reflects genuine economic development activity. Businesses want to build in New York. Manufacturers want to locate here. Communities want the jobs that come with them. Our responsibility is to ensure that this growth

strengthens the State without undermining affordability or reliability for existing customers.

But despite the higher stakes, federal uncertainty has had a chilling effect on our efforts to proactively and cost-effectively manage this new energy demand. The significant funding shortfalls are not something New York can fully replace. However, what we can control is how decisively we act to protect ratepayers while maintaining the safety and reliability of our energy systems—expediting projects to secure remaining tax credits; advancing shovel-ready renewable projects; improving interconnection and permitting processes; supporting nuclear generation where incentives and reliability value still exist; and reallocating available funding to maximize value for customers.

The Commission and Department have also taken significant steps to refine and advance our planning processes. For the bulk system, the Coordinated Grid Planning Process is identifying the most efficient and cost-effective solutions to meet reliability, clean energy, and load growth needs. For the distribution system, through the Proactive Planning Proceeding, the Commission established a standardized framework to reduce interconnection delays, support economic development, and lower long-term costs for customers.

This year, the Governor has several, mutually reinforcing directives to advance planning efforts that will continue to enhance the reliability of New York's energy system at the least cost to ratepayers. Building on the Governor's directive to the New York Power Authority to build at least one gigawatt of advanced nuclear energy, the Governor is advancing a nuclear backbone. Developing one gigawatt is a start, but it is not enough.

Numerous assessments, including in the 2025 State Energy Plan and the Coordinated Grid Planning Process, reinforce the recognition that advanced nuclear will play a critical role in meeting load growth needs and delivering system-wide savings compared to other zero emission technologies. The Department will incorporate the Governor's directive to build a 4GW nuclear reliability backbone in addition to NYPA's project as part of its ongoing clean energy generation and transmission planning efforts in 2026.

The Governor is also directing the Department to advance the Energize NY Development proposal to streamline the interconnection of large loads while ensuring ratepayers are protected from bearing disproportionate costs. This will enable us to attract large, job-creating businesses seeking to come to or expand in New York – and will ensure that data centers, which do not create many jobs, pay their fair share or bring their own power. In conjunction, the Governor is directing the Department to establish the Excelsior Power program to continue building out the state's flexibility resources to support the installation of smart thermostats for households across the State.

The themes of affordability and planning are also the driving forces shaping the Commission's regulatory oversight of the telecommunications sector. The Commission has continued to meet its statutory mandate to annually update the State's broadband availability map and issue an annual report on accessibility and affordability. This map is a critical tool to assist the State's ConnectAll office in implementing the Governor's efforts to expand broadband to all households and businesses in the State. The Commission also conditionally approved the Verizon

acquisition of Frontier, which will enable service quality improvements, significant new fiber buildout across the State and a new digital equity initiative.

With respect to our regulation of the water utilities, the Commission continues to hold the 230 large and small water companies accountable. The sheer magnitude of these companies proves challenging, and the Commission is steadfast in its belief that we need to partner with local governments to serve our constituents when there is no other private operator interested in taking over the company.

As noted, public engagement has been, and will continue to be, the cornerstone to our work. Over the past year, the Department held 67 public statement hearings and 131 outreach events, received more than 32,000 public comments, issued over 900 orders and rulings, opened more than 1,800 new cases, and assisted tens of thousands of consumers. This engagement has shaped the Commission's decisions, and we are grateful to each and every stakeholder that submitted comments, attended a public statement hearing, participated as a party to a rate case, or engaged in some other capacity.

I'll close with this—the Commission's work ahead to modernize our energy system while maintaining safety and reliability is difficult. But it is necessary. And like all great undertakings, it will be accomplished one careful decision at a time.

Your partnership and your shared commitment to protecting New Yorkers will shape our energy future. Thank you.