

PREPARED TESTIMONY OF JUSTIN E. DRISCOLL
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Submitted To

Assembly Ways and Means Committee and Senate Finance Committee
In Relation to the Governor's Executive Budget Proposal

January 28, 2026

Chairs Krueger and Pretlow and other distinguished members of the committees, my name is Justin E. Driscoll, and I am the president and chief executive officer of the New York Power Authority. Thank you for the opportunity to appear today to discuss Gov. Hochul's Executive Budget proposal.

I will cover the following topics:

- NYPA's progress on implementing its responsibilities in the 2023-24 Enacted State Budget to advance clean energy priorities, including progress in developing new renewable power projects and implementing the Renewable Energy Access and Community Help, or REACH, program, and the Authority's programs supporting workforce development in both the renewable and nuclear energy sectors, and transitioning NYPA's small natural gas power plants away from fossil fuel generation.
- Our mission to adapt to the changing energy needs of the state while serving as a trusted partner to the Authority's customers.
- The Authority's exciting infrastructure projects to build out New York's transmission backbone to deliver reliable, affordable and clean energy across the state.
- NYPA's new and exciting role in developing advanced nuclear power generation in Upstate New York, and the progress it has made since Gov. Hochul's announcement in June 2025.
- I will conclude my remarks today to highlight this year's exciting Erie Canal Bicentennial celebration and the ongoing work of NYPA and the Canal Corporation to rebuild and maintain water safety and other infrastructure of the New York State Canal System. This critical project will ensure that the canal system continues to benefit New Yorkers as it enters its third century.

NYPA's Mission

NYPA is essential to New York's energy future, generating up to 25% of the state's electricity. The Authority's transmission network, which includes overhead, underground and submarine lines, constitutes one-third of New York's high-voltage system.

NYPA is the largest state public power organization in the United States, managing a diverse portfolio that today includes 17 hydroelectric, natural gas, and battery energy storage facilities, totaling approximately 6,000 megawatts (MW) of capacity. About 80 percent of the Authority's electricity comes from clean and reliable hydropower. NYPA's infrastructure also includes more than 1,550 circuit miles of high-voltage transmission lines, and the Authority is continually maintaining and improving NYPA's assets to meet the evolving energy needs of New Yorkers.

All told, NYPA serves more than 1,100 government and economic development customers across public and private sectors, as mandated by state and federal laws, serving 15.5% of power system demand statewide. The Authority's customers include large and small businesses, nonprofit organizations, hospitals, airports, community-owned electric systems, rural electric cooperatives, municipalities, and other government entities. Notably, NYPA provides electricity to essential public facilities and services in New York City, such as subways, commuter trains, hospitals, schools, public housing, and municipal buildings, which together account for six percent of the state's electricity load. Moreover, NYPA's hydropower and other energy supply contracts support more than 450,000 jobs throughout New York, highlighting the Authority's significant impact on the state's economy and energy sectors.

Delivering on NYPA's Authority from 2023-2024 Executive Budget

I will next provide some updates on NYPA's implementation of the additional responsibilities the Legislature and the Governor assigned to NYPA in the 2023-24 Enacted State Budget.

Renewable Generation Development

One core element of our mission is to ensure the continued supply of reliable and clean energy. Building on NYPA's robust history in hydropower generation and transmission, the Authority is once again a developer of utility scale renewables, now through land-based wind and solar and battery energy storage projects. Since I last testified here one year ago, much has changed regarding renewable energy space. Certainly, the Authority faces even more drastic headwinds, including those from the federal government, but New York has still made great progress.

On that day, I was pleased to announce that the Power Authority Board of Trustees approved NYPA's inaugural Strategic Plan for new renewables. That plan set forth NYPA's first tranche of projects totaling 3,500 MW of power. Right after we spoke, in February last year, NYPA acquired its first project, the 20-MW Somers Solar project developed by CS Energy. The Somers Solar project is estimated to cost \$50 million and is expected to be completed next year. In May 2025, NYSERDA announced that the Somers Solar Project had been awarded a Tier 1 offtake contract. NYPA has moved expeditiously to make the necessary investments to maximize the tax benefits for its projects to provide the best costs for New Yorkers. NYPA has executed a memorandum of understanding with the New York State Building and Construction Trades Council to ensure project labor agreements are in place for all NYPA renewable energy generation projects, including Somers Solar. These PLAs will provide opportunities for union labor to play an important role in the construction of NYPA's renewable projects.

In July, NYPA released a draft update to its Strategic Plan to increase the potential renewable energy and storage capacity of NYPA's burgeoning portfolio to more than 7,000 MW. During the public comment process, the Authority heard from more than 6,000 individuals and organizations, including several members of this body, who took time out of their busy days to comment. My thanks to all of you for participating in this process—your feedback matters and NYPA takes it seriously when formulating its plans and prioritizing further actions. The input covered many topics and made one thing clear; while current federal policy may not support renewable energy, the vast majority of individuals commenting on the plan do believe in it. As does NYPA. The Authority will continue to prudently develop these resources for a reliable, affordable and clean energy future for all New Yorkers.

At the same time as NYPA is increasing its portfolio of new renewable generators, this year the federal government is closing the window of opportunity nationwide for wind and solar projects to receive refundable tax credits that are essential to making projects achievable and financeable. These credits provide essential funding for wind and solar projects, covering roughly 40% of project costs. With the passage of H.R.1, wind and solar projects must commence construction before July 4, 2026, or be placed into service before December 31, 2027, to qualify for these critical tax credits. NYPA is focused on maximizing the use of those tax credits before they begin to sunset later this year.

These changes have caused some of the Authority's developer partners to back out of projects previously considered in NYPA's Strategic Plan. However, even in the face of these difficulties, NYPA's final Updated Strategic Plan, approved by the Board of Trustees on December 9, 2025, contains a robust group of renewable energy generation projects totaling nearly 5,500 MW of capacity. NYPA is proud of the efforts of its staff putting together the Updated Strategic Plan to deliver new renewable power to New Yorkers. In that vein, NYPA has completed the staffing of the renewable development office now with 12 seasoned professionals focusing exclusively on renewable development.

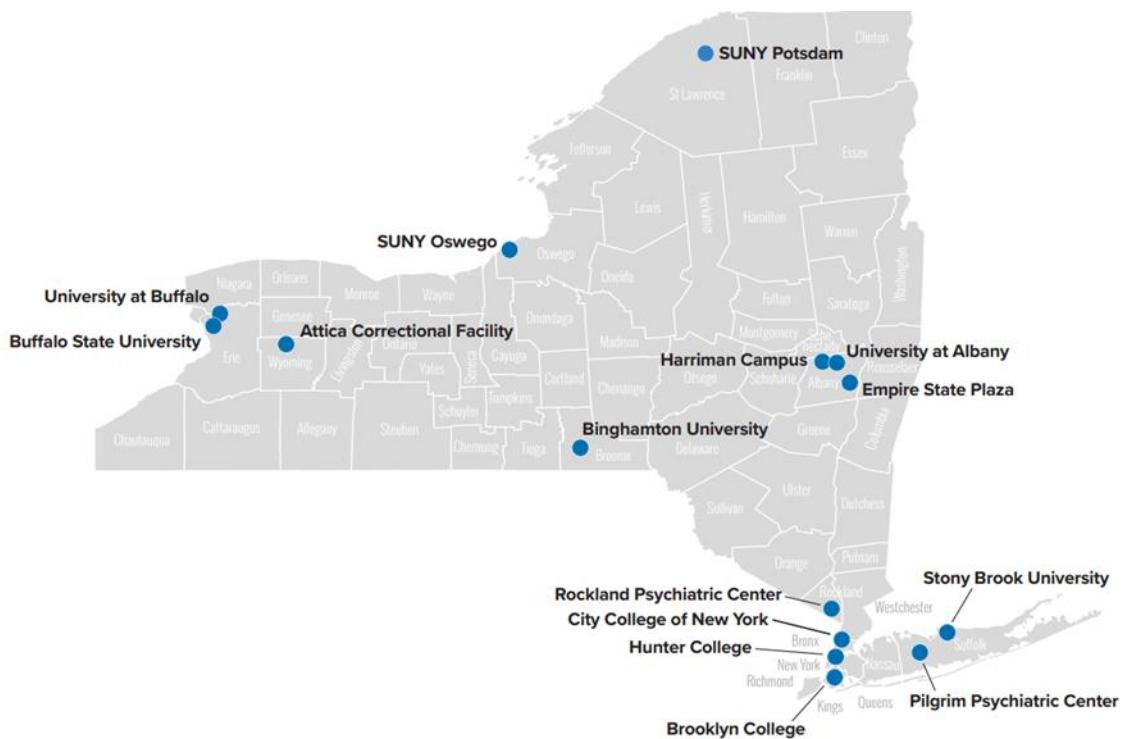
In the coming months, NYPA will move as many projects into construction as possible to maximize the federal incentives. This means prioritizing projects that are fully permitted, have strong project economics, and are on a clear path to secure the tax credits through initiating construction. As of last month, the Authority can likely secure tax credits for 350 MW of renewables. The NYPA team has made offers to developer partners to acquire majority or full ownership of about 400 MW of capacity. And looking to 2026, the Authority is evaluating another five to ten opportunities, representing another 500-plus MW of new renewable capacity. This includes an increased focus on the deployment of battery energy storage systems, where tax credits will remain in place through 2033.

NYPA is also developing new renewable energy generation to provide to New York State agencies. Gov. Hochul announced the Public Power for Public Entities in her 2025 State of the State address, directing state agencies to enter into contracts with NYPA for renewable energy to support achieving 100 percent renewable energy for state agencies by 2030, in line with Executive Order 22. NYPA has been working diligently on the initial phase of this effort, negotiating a Power Purchase Agreement for the offtake of renewable energy with the Office of General Services for the first 100 MW.

NYPA is especially grateful for the leadership of the Assembly, the Senate, and the Governor for putting forth unprecedented investments in this work through the Sustainable Future Program. In September of 2025, Gov. Hochul announced that \$200 million of this funding would go towards helping NYPA build more renewable resources. With the federal government retreating from such investments, the Sustainable Future Program provides us with lifeblood to keep some of these projects alive and moving forward. For this the Authority is extremely thankful to you all.

Clean Energy Plans for State Facilities

The 2023-24 State Budget authorized NYPA to lead the state's Decarbonization Leadership Program and prepare decarbonization action plans for 15 of the highest emitting state-owned facilities in New York State. In response, the NYPA team developed energy and emissions profiles for the identified facilities as well as decarbonization action plans. NYPA has completed decarbonization plans for 15 state-owned facilities that are among the highest emitters of greenhouse gases. The figure below shows the locations of these facilities across New York.



Implementation of the decarbonization action plans would result in the reduction of approximately 500,000 metric tons of CO₂e emissions from state-owned facilities annually—the equivalent of taking roughly 100,000 cars off the road. NYPA stands ready to collaborate with the identified state facilities to implement these decarbonization and energy efficiency measures.

REACH

In 2025 the Authority continued to make progress in standing up the Renewable Energy Access and Community Help, or REACH, program. Under this program, NYPA, alone or with partners, is developing a portfolio of renewable energy generation projects dedicated to REACH. The Authority will distribute a portion of the revenue from these projects to the state's investor-owned utilities who will use these funds to generate bill credits for low-income consumers in disadvantaged communities.

On October 16, 2024, the Public Service Commission (PSC) granted NYPA's petition to establish a regulatory framework for REACH. Since then, NYPA and New York's investor-owned utilities completed agreements and procedures to implement the program when revenues become available. In October of 2025, NYPA initiated a program to receive voluntary contributions from private developers seeking to support REACH bill credits. The Authority has received a positive response from the private sector thus far, demonstrating significant interest in the program. In addition, NYPA designated more projects in its Updated Strategic Plan to participate in the REACH program. NYPA expects REACH bill credits to become available starting in 2027.

Advanced Nuclear

The second major new initiative for the Authority came this past summer when Gov. Hochul called on NYPA to develop at least 1 gigawatt (GW) of advanced nuclear capacity in Upstate New York to address growing needs regarding reliability, affordability, and energy demand. As NYPA maintains its commitment to new renewable generation and energy storage, new nuclear energy will be an essential part of an all-of-the above approach to increasing New York's energy generating capacity to meet rapidly growing demand for firm base load power while maintaining affordable and emissions-free energy for consumers.

NYPA is proud to have been chosen to make this project a reality for New York's power grid, drawing on the Authority's long-standing record of safely and efficiently running the Indian Point 3 and James A. Fitzpatrick nuclear plants. NYPA quickly embraced this charge and immediately began feasibility studies and sought input from a variety of stakeholders, including community leaders, elected officials, labor organizations, and nuclear experts. The Authority's nuclear initiative is intended to deliver firm, zero-emission power that strengthens grid reliability while complementing renewable generation and prioritizing affordability, energy independence, and supply chain security.

To advance the new nuclear program quickly, NYPA issued two Requests for Information (RFIs) in October 2025, the first to solicit feedback from communities interested in hosting a nuclear facility, and the second to seek information regarding technology, siting, cost, timelines, ownership structure and partnership models from interested nuclear project developers and partners. The Authority received robust responses to both solicitations, with submissions from eight interested communities and 23 nuclear industry participants. NYPA staff are reviewing these submissions, and the Authority looks forward to issuing RFPs this year to select one or more sites and development partners.

On December 19, 2025, NYPA formed a [strategic partnership](#) with our long-standing partner Ontario Power Generation to jointly develop advanced nuclear technology. This collaboration will utilize the Authority's combined expertise and resources to drive technological innovation, deepen its understanding of nuclear financing and economics, and support workforce development efforts essential for the construction and operation of nuclear facilities in both New York and Ontario. Additionally, the Authority anticipates exploring opportunities to boost electricity trade between Ontario and New York.

Finally, NYPA is pleased to welcome two new leaders to NYPA's nuclear initiative. Todd Josifovski, who has more than 20 years of leadership experience in nuclear power and clean energy and development, has joined NYPA as senior vice president of Nuclear Energy Development. Christopher Hanson, who is the former chair of the Nuclear Regulatory Commission, has joined the Authority as a senior nuclear consultant. Together, they will help us ensure the safe, efficient and timely deployment of new nuclear power in New York State.

Delivering Reliable, Affordable, Clean Electricity for New York

In this period of significantly increased demand for electricity, Gov. Hochul has championed an “all of the above” energy strategy. To make that a reality, NYPA must remain committed to ensuring the continued safe operations of the Authority’s core generation and transmission assets. NYPA’s power lines transmit electricity across the state, including from its large hydropower facilities on the Niagara and St. Lawrence rivers and in the Northern Catskills.

To continue to supply reliable, affordable and clean energy, New York State is in the midst of its biggest transmission overhaul in decades. NYPA is committed to upgrading New York’s aging power grid to alleviate transmission bottlenecks and capacity limitations and enhancing electric system reliability and resilience. Over the past two years, the Power Authority has, both on its own and in partnership with other parties, completed or advanced several important transmission builds and upgrades. For example, the Authority’s Central East Energy Connect marked its two-year anniversary in December. The project, which helps alleviate one of the state’s most congested transmission corridors between Albany County and Oneida County, carries enough electricity to power nearly two million homes across 93 circuit miles.

In 2023, NYPA completed the Smart Path project in Northern New York—a 78-mile upgrade of transmission facilities from Massena in St. Lawrence County to Croghan in Lewis County. The upgrade replaced the Moses-Adirondack lines, NYPA’s oldest asset, originally built in 1942.

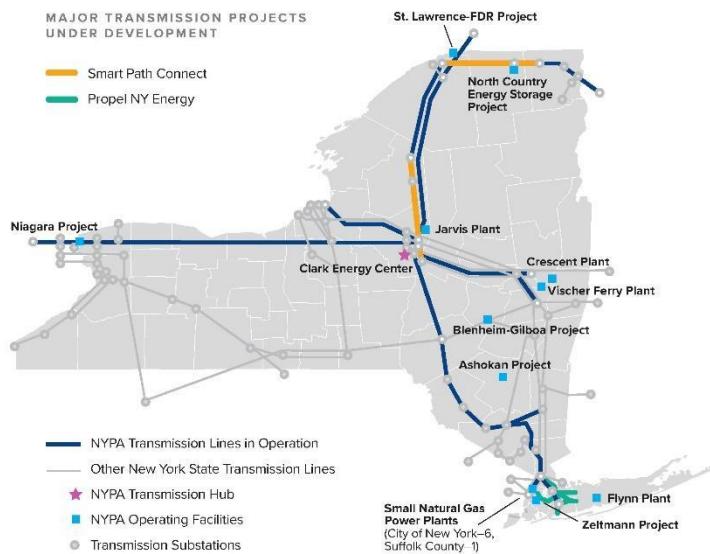
Building on Smart Path’s success, NYPA launched a new project with National Grid New York called [Smart Path Connect](#), to upgrade high-voltage transmission lines and expand further into the North Country. It will enable the flow of an additional 1 GW of clean, renewable energy across New York state. The ongoing initiative involves rebuilding about 100 miles of lines in the North Country and along the western edge of the Adirondacks. The Authority expects the project to be energized by this summer.

Additionally, NYPA’s [Propel New York](#) project is on track for an in-service date of 2030. Propel will enhance transmission connections to Long Island and increase the reliability, resiliency and

redundancy of the downstate transmission grid. The project will provide a 345-kV transmission backbone across western and central Long Island with links to New York City and Westchester County. The project will provide greater access to diverse and efficient renewable resources and additional flexibility to the grid under a wide range of operating conditions. The project has been recognized by the NYISO as critical to meeting the increased demand on the grid.

NYPA also re-energized its Long Island Sound Cable in 2023 following completion of a comprehensive modernization of the 26-mile line, from Westchester County to Nassau County, enhancing the reliability and resilience of New York's energy grid. The map below shows NYPA's major transmission network, including projects under development.

Growing Transmission in New York State



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These upgrades not only help mitigate the risks of power outages during extreme weather, but also optimize the flow of clean and renewable energy across the state, providing improved operational efficiencies and reduced dependency on more expensive sources of energy. NYPA's transmission buildout continues to create thousands of clean energy and construction jobs, helps ensure more efficient delivery of electricity, reduces congestion and cost, and improves the power grid's resilience.

Finally, NYPA is working hard to apply all of its innovation and development expertise to keep New York's entire power grid reliable and affordable. For example, NYPA's Advanced Grid Innovation Laboratory for Energy, or AGILE, in Albany enables the Authority and other utilities to prepare the grid for the future. By offering the world's first digital twin of an entire state electric grid, AGILE allows power system planners to create virtual replicas of power plants,

substations and transmission systems to test their ideas in a controlled environment before taking them to the field.

Workforce Development for New York's Clean Energy Future

NYPA is heavily investing in workforce development efforts across New York in conjunction with the Department of Labor, through upskilling both new and incumbent workers in emerging sectors using proven training models. NYPA is providing wraparound services, such as childcare, transit, and mental health treatment, which are often not funded by other current programs. This work is part of NYPA's annual commitment of up to \$25 million to workforce development as permitted by the 2023-2024 Budget. In the first year, that investment supported new partnerships and will provide training for 11,000 New Yorkers for clean energy careers. Thus far, more than 1,700 students have completed or are currently active in a training course. Of those students, more than 65% of them come from disadvantaged communities.

To date, NYPA has invested \$41 million to fund statewide training programs with a focus on job training for residents of disadvantaged communities. In August of 2025, NYPA issued a Clean Energy Workforce Training Initiative Request for Application to develop technical training opportunities, hands-on experience, paid internships and full-time jobs for people entering the clean energy workforce. The Request for Application includes three competitive application cycles for training providers to apply for funding. The training courses will be available statewide and will provide new and current workers with the opportunity to upskill and reskill to build a pipeline of workers for the clean energy sector. These funds help to remove the barriers many students face and provide wraparound services such as metro cards, on-the-job training and childcare stipends. The investments around these services are critical to the success of the individuals and provide opportunities for economic mobility.

In addition to the Request for Application, in September 2025, the NYPA Board of Trustees approved \$5 million to the New York State Department of Labor for a Support Services Fund Initiative. The funds will be used to support participants enrolled in a clean energy training program with services such as childcare, transportation, student fees, and books. The Board of Trustees also approved \$7 million to the Labor Department to expand and create new training programs in maintenance and repair of electric vehicles and EV charging stations, as well as wraparound services for people in these training programs.

NYPA's workforce development role now encompasses nuclear power as well. In September, NYPA hosted an advanced nuclear energy workforce roundtable, including Gov. Hochul and leaders from labor, energy, education and government. The NYPA Board of Trustees also approved \$10 million per year over the next four years for nuclear workforce development. Since that event in September, the Authority's leadership team has attended or hosted over a dozen nuclear workforce activities and events across the state.

Other Key NYPA Initiatives

Transitioning NYPA’s Small Natural Gas Power Plants From Fossil Fuel Generation

Over the past two years, NYPA has been evaluating ways to retire its small natural gas power plants while considering air emissions and system reliability, as directed by the 2023-24 Enacted State Budget. In May 2025, NYPA released its Small Natural Gas Power Plant Transition Plan, which includes conducting emissions and air quality assessments with the New York Independent System Operator (NYISO), collaborating with Con Edison and LIPA to evaluate system reliability, and engaging with local communities and stakeholders.

In putting its plan into action, NYPA must first determine if the small plants are needed for emergency power or to meet a power system reliability need statewide or in New York City. The NYISO, working with Con Edison, must determine whether the plants are needed for reliability before NYPA can take steps to deactivate them. It is important to note that the NYISO has recently identified reliability needs in New York City and Long Island. While the sites are too small for solar, NYPA has been exploring whether energy storage could be located at the small plants to help support reliability.

Equally important, NYPA must assess whether deactivating the plants individually or in groups would cause more than a de minimis increase in emissions of greenhouse gases or air pollutants that harm human health in disadvantaged communities. Stopping generation at NYPA’s plants could increase emissions because NYPA’s plants are more efficient and lower emitting than older, less efficient, and higher emitting plants that would have to run more to supply electricity in New York City if NYPA’s small plants were retired. NYPA continues to engage with stakeholders and communities on ways to support reliable, affordable and sustainable power in New York City.

Supporting Electric Vehicles

One of the key tools to support New York’s progress toward clean energy is the Evolve NY network of EV chargers. The Authority is proud that NYPA is second only to Tesla in the number of installed charges in the state—including 286 fast chargers, which can charge most EVs in as little as 20 minutes, making it incredibly convenient for drivers, while still pulling tourists and travelers off the highway and into the local community to visit restaurants, shops and other destinations.

And the Authority is not finished yet. NYPA closed 2025 just over half-way to completing the goal of a 400-charger public network by the end of next year. That network will bolster the statewide totals, which are already an impressive 2,902 fast chargers at 659 locations. We are making real progress in alleviating “range anxiety,” which is often inhibits drivers from transitioning to an electric vehicle.

Rejuvenating and Celebrating the Canal System

The New York State Canal System has provided critical infrastructure to New York industry, agriculture and tourism for 200 years. NYPA's stewardship of the New York State Canal System reflects two related imperatives: maintain and improve canal infrastructure for public use, and advance programs and partnerships that foster connection, enjoyment and respect for the canal as a resource. Since NYPA began managing the New York State Canal System in 2017, the Canal Corporation developed a Dam Safety program and funded significant infrastructure and recreational efforts annually. To support this work, NYPA has increased investment in the Canal System to approximately \$140 million per year.

To keep the Canal System viable for the next 200 years, significant work remains to be done to protect these critical, water-impounding structures and the surrounding communities. For example, Canals has programs for rebuilding locks, dams, terminal walls, and guard gates that can be readily ramped up when resources allow. In 2026, NYPA and the Canal Corporation will introduce programs with design-build capabilities to further ensure the efficient delivery of capital work.

NYPA and Canals greatly appreciate the \$50 million appropriations provided to NYPA in the last two state budgets. These annual budget appropriations help fund the cost of maintaining this state asset, which includes critical safety work, such as dam and lock repair, as well as flood mitigation, while enabling NYPA to continue to invest significantly in renewables and other priority areas.

As New York's canal system enters its third century of operation, the Canal Corporation is leveraging the momentum generated throughout an incredibly successful Erie Canal bicentennial year. More than 400,000 people participated in more than 200 community events celebrating the bicentennial, creating renewed interest in the canal system not only as a historic asset but also as a local resource for recreation for people of all abilities and as an economic engine for communities along the canal. The bicentennial received national attention through outlets including *BBC World News*, Bloomberg.com, *The New York Times*, *The Washington Post*, and *National Geographic*. NYPA co-hosted the 2025 World Canals Conference in September, showcasing New York's role in waterway management and bringing waterway experts together to discuss innovation, history, tourism, and the future of canals. NYPA also partnered with the Buffalo Maritime Center on construction of the *Seneca Chief*, a replica of Governor DeWitt Clinton's Erie Canal boat that recreated the original 1825 maiden voyage from Buffalo to New York City, connecting people to the Canal's history and future.

In addition to critical infrastructure work, 2026 will feature public programs like [On the Canals](#), which offers free outdoor recreational activities along the canal system, and the Accessibility Education Program, a collaborative effort to make the canal system fully accessible to people with disabilities. And it will include special initiatives that seek to position the canal system as a vital place for arts and culture, including a concert series by emerging composers, the inaugural [Medina Art Triennial](#), and the Artist-in-Residence Program. NYPA encourages members of the Legislature, staff, and their families to visit the canal system and experience all it has to offer.

To lead all of these efforts, the Authority is excited to welcome former Syracuse Mayor Ben Walsh as the incoming Director of the New York State Canal Corporation. He will succeed Brian U. Stratton, who we thank for his leadership of the Canal Corporation for many years through its bicentennial celebration. NYPA is confident that Ben will bring his experience in urban leadership and community development to guide the historic canal system into its next era.

Conclusion

Thank you for your time today, and for the opportunity to update you on how NYPA and the Canal Corporation are advancing Governor Hochul’s priorities—delivering reliable, affordable, and clean energy, fostering economic growth, and preserving vital infrastructure.