

# Testimony of Rewiring America on the 2026-27 Executive Budget Proposal

Joint Budget Hearing Testimony January 2026 | PREPARED BY: Michael Hernandez Michaelh@rewiringamerica.org

## Introduction

Rewiring America is a leading electrification nonprofit, focused on electrifying homes, communities, and businesses. We develop data and tools and build coalitions and partnerships to make going electric easier for households and communities. Rewiring America helps New Yorkers save money, tackle emissions goals, improve health, and build the next generation of clean energy workforce.

Rewiring America thanks the legislature for the opportunity to provide comments on the Executive Budget proposal for 2026-2027. In summary, we support the executive's proposals that would move New York forward with its electrification and clean energy targets such as the EmPower+ Program, the Public Facilities Sustainability Program, and the expansion of the Green Jobs Green New York Program. We also encourage the Legislature to direct the governor to move forward without delay on the Cap and Invest program.

## EmPower+ Program (\$50M), Capital Projects Budget: NYSERDA

Rewiring America emphatically supports the Executive's proposal to appropriate \$50 million to the EmPower+ program. The Governor's proposal will drive down sky-high energy bills and provide New Yorkers with clean heating technology, like heat pumps.<sup>1</sup> Rewiring America encourages the legislature to increase the Governor's proposed \$50M to \$200M in order to provide sufficient funding for the next two years. The State set this precedent in 2023 when it provided the EmPower+ program \$200M for a two year period.<sup>2</sup>

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<sup>1</sup> Hochul to propose \$50M for home heating assistance program, Times Union, by Brendan J. Lyons, January 12, 2026, *"I am committed to driving down sky-high utility costs across the state, and that starts by empowering New Yorkers to make the most of programs we have available to heat and light their homes," Hochul said. 'Thousands of New Yorkers have taken advantage of the EmPower+ program and are saving about \$600 per year on their utility bills as a result.'"*

<sup>2</sup> S4004-D/A3004-D of the laws of 2023; Capital Projects Budget Bill: NYSERDA

### *Empower+ Program Reduces Energy Bills*

The EmPower+ program helps low-and-moderate income (LMI) households to save energy and money toward energy improvements made to their primary residents.<sup>3</sup> The program focuses on one-to-four family households. About half of New York households are LMI households<sup>4</sup> and nearly 60% of LMI New Yorkers live in one-to-four family homes.<sup>5</sup> Eligible New Yorkers can receive a no-cost comprehensive home energy assessment to pinpoint where energy and dollars are being wasted and receive a customized plan to lower their energy usage. Once the energy audit is complete and relevant improvements have been identified, they can receive no-cost direct install improvements by participating program contractors. The EmPower+ program provides funding toward the cost of the energy efficiency and electrification improvements, including air sealing, insulation, heat pumps, water heaters, and electrical service and wiring upgrades. Reducing energy consumption through energy efficiency and weatherization measures brings down energy costs for LMI households.<sup>6</sup>

The 2025 NY State Energy Plan determined that electrification and energy efficiency are core strategies to drive energy savings in residential buildings; keeping buildings comfortable and supporting the reliability of the electric grid.<sup>7</sup> The 2025 State Energy Plan recommended that the State continue to offer financial incentives to reduce upfront costs and motivate New Yorkers to make energy upgrades in existing buildings.<sup>8</sup> The plan also recommended that NYSERDA continue to prioritize financial incentives to address energy performance and housing quality for LMI housing and buildings in Disadvantaged Communities.<sup>9</sup>

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<sup>3</sup> <https://www.nyserdera.ny.gov/All-Programs/EmPower-New-York-Program>

<sup>4</sup> New York State Climate Action Council Scoping Plan, Chapter 12 Buildings, Page 175.: "In addition, nearly half (48%) of households statewide are low-to-moderate income households, underscoring the importance of careful attention to housing and energy affordability."

<sup>5</sup> Public Service Commission, *Order authorizing Low-to-moderate income energy efficiency and building electrification portfolio for 2026-2030*, Issued and Effective: May 15, 2025, Case 25-M-0249, Pages 52-53: "The one-to-four family LMI market segment has primarily been served through the EmPower Plus program throughout the State since 2004..."

<sup>6</sup> Public Service Commission, *Order authorizing Low-to-moderate income energy efficiency and building electrification portfolio for 2026-2030*, Issued and Effective: May 15, 2025, Case 25-M-0249, Page 54: "The focus on reducing energy consumption by prioritizing energy efficiency and weatherization will help to advance the Commission's Energy Affordability Policy, which sets a goal for low-income customers to pay no more than six percent of their annual income towards utility costs. Energy Efficiency and weatherization are no-regrets investments and the logical first step to decarbonize a home."

<sup>7</sup> 2025 State Energy Plan, Volume II, Chapter 8 Buildings, page iv: "As the building sector transforms, the use of efficient heat pumps will increase... Increased levels of energy efficiency and weatherization measures will result in lower per-capita energy usage across the sector, helping to provide energy savings for many residents... Collectively, these strategies will bring about a modern, low-carbon building stock that delivers a multitude of public health, safety, affordability, and resiliency benefits to New Yorkers."

<sup>8</sup> 2025 State Energy Plan, Volume II, Chapter 8 Buildings, *Sector 4.1.1 Mitigating and Reducing Cost Barriers to Efficiency and Electrification*, page 12: "NYSERDA...should ...ensure that these incentives offered by State-administered programs are tailored by market segment and designed to support flexibility in the way that buildings reduce energy use and efficiently electrify."

<sup>9</sup> 2025 State Energy Plan, Volume II, Chapter 8 Buildings, *Sector 4.1.2 Prioritizing an Affordable and Equitable Transition for Low-to-Moderate income housing and buildings in Disadvantaged Communities*, page 16: "New York State...should continue to prioritize and coordinate public support across energy and housing programs to address energy performance and housing quality for LMI housing and buildings in DACs, with State leadership from ...NYSERDA..."

The EmPower+ program is funded through a variety of sources including the Regional Greenhouse Gas Initiative (RGGI), utility ratepayer collections, the Inflation Reduction Act and the State Budget.<sup>10</sup> New York State appropriated \$200 million in the 2023-24 state budget<sup>11</sup> and \$50 million in the 2025-26 state budget<sup>12</sup> to the EmPower+ program.

### *EmPower+ Program Creates Jobs*

The EmPower+ program is creating new clean energy jobs with building electrification and energy efficiency employers expecting increased need for key occupations over the next three years.<sup>13</sup> The energy efficiency building contractor sector currently makes up the majority of clean energy establishments in the State at 88%.<sup>14</sup> In fact, the building electrification and energy efficiency sector added the greatest number of clean energy jobs in 2024, increasing by over 5,400 jobs at a rate of 4%.<sup>15</sup>

State incentive programs, like EmPower+, are the most used incentives among building electrification and energy efficiency contractors<sup>16</sup> and residential building activity is the key driver of the building electrification and energy efficiency industry.<sup>17</sup>

### *EmPower+ Creates Jobs in Disadvantaged Communities*

Across the State, Disadvantaged Communities (DACs) account for nearly 60,000 clean energy jobs or about one-third (33%) of the statewide total.<sup>18</sup> It is incredible to note that not only does the EmPower+ program provide direct services to DAC communities by targeting them for

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<sup>10</sup> [NY 2025 State Energy Plan](#), Volume II, Chapter 8 Buildings, page 14: “the [EmPower+] program received a one-time infusion of funds [\$200 million] through the State budget in 2023 intended to be spent over two years, making it the largest program of its kind in the country without putting additional strain on ratepayer collections. Upon the expenditure of this allocation, Governor Hochul secured another \$50 million in the FY 2026 budget through the \$1 billion Sustainable Future fund, which will be allocated for heat pumps and other electrification measures.”

<sup>11</sup> S4004-D/A3004-D of the laws of 2023; Capital Projects Budget Bill: NYSEDA

<sup>12</sup> S3004-D/A3004-D of the laws of 2025; Capital Projects Budget Bill: Misc: Sustainable Future Fund

<sup>13</sup> [2025 New York Clean Energy Industry Report](#), Page 4: “Employers report an expected need for insulation workers (36% over the next three years), energy auditors (29%), HVAC workers and plumbers (both 25%), cost estimators and sales (23%), and Electricians (21%).”

<sup>14</sup> [2025 New York Clean Energy Industry Report](#), Page 10: “Energy efficiency employers tend to be smaller in size than other technologies, often consisting of local contractors and specialized service providers across a broader geographic area.”

<sup>15</sup> [2025 New York Clean Energy Industry Report](#), Page 9: “This large number of jobs is unsurprising given these sectors’ prominence in the State’s clean energy economy, making up nearly three-quarters (73%) of the clean energy workforce.”

<sup>16</sup> 2025 New York Clean Energy Industry Report, Page 36: “59% of surveyed contractors had used State incentives at least once before, followed by utility incentives (48%) and federal incentives (38%). About half of the contractors surveyed participated in a State or local direct installation or subsidized energy efficiency program such as Empower+...”

<sup>17</sup> 2025 New York Clean Energy Industry Report, Page 26: “Over three quarters (76%) of contractors reported that single-family residential buildings are the properties they work on most frequently.”

<sup>18</sup> 2025 New York Clean Energy Industry Report, Page 42: “This share is nearly in line with the 35% of New Yorkers who live in DACs. While the DAC clean energy employment rate is somewhat lower than the population share, this may be partly explained by lower employment rates for DAC residents statewide.”

financial incentives to lower their energy bills but it also hires DAC community members to provide those services. It's a real win-win program!



## **Public Facilities Sustainability Program (\$50M), Capital Projects Budget**

The Governor proposes \$50 million to support New York's ongoing efforts to reduce its own GHG emissions. This continued investment will accelerate the State's decarbonization efforts and provide resources to initiate procurement practices that prioritize sustainable and climate-resilient design initiatives.<sup>19</sup>

On September 20, 2022, Governor Hochul signed Executive Order 22, "Leading by Example: Directing State Agencies to Adopt a Sustainability and Decarbonization Program" directing NY's agencies and authorities to comply with the Climate Leadership and Community Protection Act's requirement that they implement strategies to reduce their greenhouse gas emissions.<sup>20</sup>

Unfortunately, neither the Climate Law nor Executive Order 22 provided funding to achieve these GHG reduction targets. Governor Hochul's proposal to provide State agencies and authorities with \$50 million to decarbonize state-owned facilities will help achieve these targets.

Rewiring America supports the \$50 million dollar appropriation, approval process, and reporting requirements proposed by the executive and encourages the legislature to accept the proposal and to add an additional \$50 million for a \$100 million total.



## **Improving Green Jobs-Green New York Program, TED Part L**

Rewiring America supports Governor Hochul's proposal to improve the Green Jobs-Green New York Program (GJ-GNY) to provide customers with greater access to low-cost financing, expand the types of projects that are eligible for financing, and reduce the administrative burden and costs associated with on-bill recovery loans.

Increasing access to and adoption of building efficiency and electrification upgrades will reduce energy costs, create local jobs, reduce greenhouse gas emissions, improve indoor air quality,

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<sup>19</sup> Executive Budget Briefing Book

<sup>20</sup><https://www.governor.ny.gov/executive-order/no-22-leading-example-directing-state-agencies-adopt-sustainability-and>

and help achieve New York State's nation-leading greenhouse gas emissions reduction targets set forth in the Climate Leadership and Community Protection Act of 2019.<sup>21</sup>

Since its inception in 2009, the GJ-GNY program has had a budget of nearly \$400M and has provided nearly \$270M in low-cost loans to New Yorkers looking to finance energy efficiency and electrification upgrades to their homes.<sup>22</sup> NYSERDA provides no-cost energy audits to one-to-four family residential customers which identify relevant energy upgrades to their homes to improve energy costs, health impacts and reduce emissions.<sup>23</sup> The program is delivered through a statewide network of contracting firms who provide energy audits and install energy upgrades.<sup>24</sup> GJGNY offers On-Bill Recovery (OBR) loans which allow consumers to repay through an installment charge on their utility bill.<sup>25</sup>

Costs for the installation of energy efficiency and electrification measures have increased in the past few years, which has led some customers to obtain an initial loan through the GJ-GNY Loan Program, and then a secondary loan, to cover the excess costs, further increasing the cost of their projects.<sup>26</sup> This proposal would increase the maximum loan authorized for residential properties from \$25,000 to \$50,000 and modify the payback period for loans in excess of \$13,000.

Additionally, the current required loan recording process has led to delays in approval of on-bill recovery loans, has been generally ineffective, is costly and has led to confusion for prospective purchasers, mortgagees, title companies, and attorneys during the property sale process. These amendments will provide clarity and alleviate those costs.<sup>27</sup>

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<sup>21</sup> [Green Jobs-Green New York 2025 Annual Report](#), page 1, "Prioritizing the achievement of these objectives and delivering the associated benefits to disadvantaged communities and energy burdened households is imperative."

<sup>22</sup> Green Jobs-Green New York 2025 Annual Report, page 6, "By far the greatest demand for GJGNY funding has been from the residential revolving loan fund, which issued loans totaling its original allocation in less than three years. The residential revolving loan fund is now maintained primarily through proceeds from the sale of green revenue bonds."

<sup>23</sup> Green Jobs- Green New York 2025 Annual Report, page 11, "NYSERDA's programs prioritize building science and support a comprehensive approach for identifying energy efficiency improvements. Programs are designed to reduce the energy use in existing one-to-four family homes and recommend opportunities for electrification measures, while also addressing indoor air quality and other energy-related health and safety issues."

<sup>24</sup> Green Jobs-Green New York 2025 Annual Report, page 12, "The energy assessment includes taking an inventory of the current home energy systems and energy related health and safety conditions and developing a work scope and a cost and energy savings estimate for proposed improvements. The energy assessment report is provided to the homeowner and allows the contractor to recommend and discuss options for improvements that maximize energy savings and meet the household budget considerations."

<sup>25</sup> Green Jobs-Green New York 2025 Annual Report, page 18.

<sup>26</sup> NYSERDA Departmental Bill #5, S8237 of 2025, Senator Kevin Parker, Memorandum in Support "This amendment would provide more homeowners with the ability to fund their projects solely through a NYSERDA GJ-GNY loan, by allowing loans to cover higher costs instead of secondary funding."

<sup>27</sup> NYSERDA Departmental Bill #5, S8237 of 2025, Senator Kevin Parker, Memorandum in Support



## Conclusion

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In conclusion, Rewiring America supports the executive's proposals that would move New York forward with its electrification and clean energy targets such as the EmPower+ Program, the Public Facilities Sustainability Program, and the expansion of the Green Jobs Green New York Program.