



**New York State 2026 Joint Legislative Budget Hearing on FY 2027 Executive Budget:  
Local Governments**

**Written Testimony of Consolidated Edison**

February 11, 2026

**INTRODUCTION**

Con Edison Company of New York, Inc. (Con Edison) appreciates the opportunity to submit testimony on the impact of the Joint Bidding Program and the effects of Real Property Tax on our ratepayers, who are also New York City taxpayers. We thank the Legislature for its continued focus on strengthening the partnership between utilities, local governments, and state agencies, recognizing that collaboration is the foundation for protecting customers and ensuring a safe, reliable, and affordable energy system. As the energy provider for the nation's largest and most complex urban center, Con Edison values every opportunity to work constructively with policymakers to advance shared goals. Our participation today reflects our commitment to continued partnership with the State and City, grounded in a shared interest in safeguarding reliability, modernizing infrastructure, and minimizing cost impacts on the New Yorkers who depend on this system every day.

Because our infrastructure sits beneath and throughout the public right-of-way, local government decisions—particularly those involving street coordination, permitting, capital project design, and property tax assessments applied to utility infrastructure—have direct implications for our system and customers. These decisions influence not only how efficiently we can build and maintain the system, but also long-term costs borne by the New Yorkers we jointly serve. As partners to the City and State in building, maintaining, and modernizing public infrastructure, Con Edison shares the responsibility to ensure these policies protect ratepayers while supporting efficient, safe, transparent and cost-effective project delivery.

**JOINT BIDDING**

Beneath New York City's streets lies a dense and complex web of utility infrastructure, including gas and steam pipelines, electrical conduits, and wiring. During public works projects, this critical infrastructure can interfere with the city's public works and may need to be protected, adjusted, or relocated. These protection and relocation efforts are commonly referred to as utility interference work and are essential to maintaining public safety and reliable service for millions of New Yorkers.

The Joint Bidding program was developed to improve coordination and minimize delays in public works projects by enabling the City to procure public works and associated utility interference work through a coordinated process. Prior to Joint Bidding, City-led projects often lacked clear provisions for utility interference work or relied on inconsistent special contract terms requiring separate, project-by-project negotiations. Those fragmented negotiations frequently delayed

**INTERNAL**



projects, increased costs borne by utility customers, and introduced uncertainty into construction schedules, affecting both the City and utility customers.

Con Edison has been a strong supporter of the Joint Bidding program and has participated in multiple Joint Bidding contracts that have improved efficiency and reduced the time and resources required to deliver infrastructure projects, while advancing the City's broader capital objectives. When City agencies, contractors, and utilities work together under clear and consistent processes, projects move more efficiently, safely, and cost-effectively for everyone involved—especially tax and ratepayers.

Joint Bidding has undergone several iterations since its inception, with varying degrees of success and equity. While a coordinated framework is generally preferable to the absence of one, Joint Bidding is not a universal remedy. The specific design of the Joint Bidding program can produce imbalances that advantage certain parties while inviting unintended risk, increased cost, and uncertainty to parties to the contract. Without appropriate safeguards, utility customers can end up absorbing an outsized share of these costs. Because electric and gas utilities operate under cost-of-service regulations, prudently incurred expenses are passed directly to the customer. Any new or revised Joint Bidding program must be designed with fairness at its core and must explicitly protect utility customers from unjustified cost impacts. Con Edison is committed to implementing an objectively fair pricing structure that reduces risk of unintended utility customer cost burdens, promotes safety, schedule discipline, and strengthens project delivery outcomes.

### **REAL PROPERTY TAXES**

In addition to Joint Bidding considerations, Con Edison urges the Legislature to examine the significant and rapidly escalating impact of New York City property taxes on utility customers. As a regulated utility, Con Edison's New York City utility infrastructure is taxed as part of Class 3 within the City's property tax code, at a standalone utility rate. These taxes are a cost of doing business and are passed directly to customers through the delivery portion of their bill. Because of this tax structure, Con Edison is the single largest taxpayer in New York City, with costs rising steeply in recent years. Property taxes paid by our customers increased by 45 percent between 2019 and 2024 and totaled more than \$2.6 billion in 2025. This rapid escalation places unnecessary upward pressure on customer bills and limits opportunities to manage long-term energy delivery costs. We believe there is a shared public interest in exploring reforms that ensure utilities contribute fairly while avoiding disproportionate burdens on ratepayers. Con Edison looks forward to working with the City and State to advance thoughtful, data-driven improvements that protect customers while supporting the fiscal health of local government.

### **CONCLUSION**

Con Edison firmly believes the path forward is anchored in collaboration. We invite New York City government, State leaders, and all stakeholders to continue working with us to strengthen coordination, modernize construction and permitting processes, and develop approaches that keep our energy system safe, reliable, and resilient, while minimizing financial impacts on the

**INTERNAL**



customers we jointly serve. Our interests are aligned: protect ratepayers, safeguard reliable and safe service, and ensure every policy decision supports the long-term well-being of all New Yorkers. Con Edison stands ready to partner in advancing these shared goals.

Please do not hesitate to reach out to Naysha Diaz, Department Manager of State Government Affairs ([DiazN2@coned.com](mailto:DiazN2@coned.com)) with any questions, concerns, or opportunities to collaborate further on the issues outlined in this testimony.

INTERNAL