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Rory M. Christian, Chair

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PSC Bolsters Central Hudson's Popular Clean Heat Program

Commission Pumps \$25 Million into Central Hudson's Building Electrification Program

ALBANY — The New York State Public Service Commission (Commission) today approved just over \$25 million in additional funds for Central Hudson Gas & Electric Corporation's (Central Hudson) Clean Heat program, which is designed to promote the electrification of space and water heating by offering contractor and customer incentives for the installation of air- and ground-source heat pumps.

“The New York State Clean Heat program is the State's main utility-administered program for electrifying space and water heating in buildings,” **said Commission Chair Rory M. Christian.** “Approving additional funds for Central Hudson's program supports the State's electrification goals.”

Central Hudson's Clean Heat program is in high demand. By the end of 2022, the program achieved over 175 percent of its cumulative savings target at average unit costs lower than authorized. The utility was forced to reduce its Clean Heat program incentives twice since the program's inception to manage costs. Without more funding, the company might have to stop its Clean Heat program in mid-June of 2023. The Company's request would have resulted in total program costs of \$74.7 million. Today, the Commission directed Central Hudson to reallocate \$13.5 million of previously authorized electric energy efficiency budgets, transfer \$4 million of previously collected and unspent funds, use \$1.7 million of accrued interest on Clean Energy Fund collections, and spend up to an additional \$6 million, if needed, to support Central Hudson's Clean Heat program.

The New York State Clean Heat Program, which all the major utilities participate in along with support from the New York State Energy Research and Development Authority or NYSERDA has been highly successful.

Last year, the Commission approved a similar request made by Consolidated Edison Company of New York, Inc. to transfer previously collected and unspent funds as well as future authorized electric energy efficiency budgets to support the continuation of its popular Clean Heat program. In addition, the Commission made other modifications to the program, including reallocating an additional \$100 million into the program and approving a continuity funding mechanism.

In addition to approving new funds for Central Hudson, the Commission made other minor modifications to ensure the continued operation of Central Hudson's Clean Heat program and established a new target associated with the authorized continuity funding related to heat pumps for the utility.

New York State's Nation-Leading Climate Plan

New York State's nation-leading climate agenda calls for an orderly and just transition that creates family-sustaining jobs, continues to foster a green economy across all sectors and ensures that at least 35 percent, with a goal of 40 percent, of the benefits of clean energy investments are directed to disadvantaged communities. Guided by some of the nation's most aggressive climate and clean energy initiatives, New York is on a path to achieving a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and economywide carbon neutrality by mid-century. A cornerstone of this transition is New York's unprecedented clean energy investments, including more than \$35 billion in 120 large-scale renewable and transmission projects across the State, \$6.8 billion to reduce building emissions, \$3.3 billion to scale up solar, more than \$1 billion for clean transportation initiatives, and over \$1.8 billion in NY Green Bank commitments. These and other investments are supporting more than 165,000 jobs in New York's clean energy sector in 2021 and over 3,000 percent growth in the distributed solar sector since 2011. To reduce greenhouse gas emissions and improve air quality, New York also adopted zero-emission vehicle regulations, including requiring all new passenger cars and trucks sold in the State be zero emission by 2035. Partnerships are continuing to advance New York's climate action with nearly 400 registered and 100 certified Climate Smart Communities, nearly 500 Clean Energy Communities, and the State's largest community air monitoring initiative in 10 disadvantaged communities across the State to help target air pollution and combat climate change.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 18-M-0084 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.