



Department
of Public Service

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Rory M. Christian, Chair
Kathy Hochul, Governor
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New York State
Department of
Public Service

New York State
Department of



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Public Service

Department of Public Service

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TABLE OF CONTENTS

MISSION STATEMENT

FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

INTRODUCTION1

ADDRESSING THE COVID-19 PANDEMIC2

INVESTIGATIONS AND SETTLEMENTS3

- PSC Criticizes NYSEG for Failing to Properly Test Gas Connections3
- PSC Initiates Enforcement Proceeding Against National Grid for Apparent Delayed Response to Gas System Issues4
- Central Hudson Called to Account for Apparent Billing System Defects.....5
- DPS Expands Investigation of NYSEG and RG&E for Billing Errors5

PLANNING FOR THE CLEAN ENERGY FUTURE7

- PSC Begins Groundbreaking Planning Process to Reduce Greenhouse Gas Emissions from the State’s Natural Gas Delivery System7
- PSC Announces Climate Act Tracking Initiative8
- PSC Authorizes Construction of 135 MW Battery Storage Facility in NYC.....9
- PSC Directs Utilities to Conduct Climate Vulnerability Studies.....10
- PSC Breathes New Life into Popular Con Edison Clean Heat Program11
- PSC Moves Three Major Wind and Solar Projects Ahead12
- New York’s Transition to Clean Transportation12
- PSC Reviews EV Make-Ready Program13
- PSC Launches Review of Cornerstone Clean Energy Programs14
- PSC Finalizes Plans to Reduce Peak Natural Gas Demand in National Grid’s Service Territories Statewide15
- PSC Approves Renewable Gas Project in Cayuga County17
- Four Major Wind Projects Move Forward.....17
- PSC Increases Administrative Funding for Clean Energy Programs18
- Indian Point Decommissioning Oversight Board19

MAJOR RATE CASE DECISIONS	21
• PSC Cuts O&R Rate Hike Request Substantially.....	21
• PSC Reduces Corning Gas Rate Hike Request by Half	22
IMPROVING UTILITY PERFORMANCE AND RELIABILITY	24
• PSC Receives Reports on Electric Reliability, Gas and Electric Safety, Customer Service of the State’s Large Public Utilities	24
• PSC Demands Improvements to Utility Billing and Crediting Processes for Community Distributed Generation.....	25
ASSISTING COMMUNITIES	27
• Electric and Gas Utility Bill Credit Program for Low-Income Families	27
• PSC Launches Utility Employee Diversity, Equity, and Inclusion Initiative.....	28
• Rollout of Electric and Gas Utility Bill Credits for Low-Income Families.....	29
• Preparing New Yorkers for Rising Global Winter Energy Costs	31
• PSC Announces New Regulations Regarding Use of Names and Pronouns.....	34
• Transformative Investments in Energy Affordability, Building Efficiency, and Clean Air and Water	35
ELECTRIC GENERATION SITING	38
• Siting Board Approves \$345 Million Genesee County Solar Farm	38
• Siting Board Denies Solar Farm Application	39
• Siting Board Approves Cayuga County Solar Farm.....	41
TELECOMMUNICATIONS	43
• PSC Approves New Area Code in 845 Region	43
• TRS and CTS Providers Selected	43
• New 329 Area Code for Columbia, Delaware, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester Counties.....	44
• PSC Releases Statewide Address-Level Broadband Map	45
• More Than One Million Households Enrolled in Federal Affordable Connectivity Program.....	46
• PSC Approves New Area Code in 716 Region	47
• Western New York Residents and Businesses Prepare for New 624 Area Code.....	48
TRANSMISSION LINE SITING	50
• PSC Paves Cost-Effective Path to Develop New Transmission Lines	50

- Commissioning the Empire State Transmission Line.....51
- Approval of Major Upstate Transmission.....51
- PSC Greenlights Private Financing and Municipal Approvals for Champlain Hudson Transmission Line.....53
- Approval of Major Offshore Wind Transmission Line53
- Construction on 339-Mile Champlain Hudson Power Express Transmission Line to Bring Clean Energy to New York City55
- \$98 Million for Development of NYSEG Transmission Projects57
- APPENDIX: BUDGET HIGHLIGHTS58

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MISSION STATEMENT

The primary mission of the New York State Department of Public Service is to ensure affordable, safe, secure, and reliable access to electric, gas, steam, telecommunications, and water services for New York State's residential and business consumers, at just and reasonable rates, while protecting the natural environment.

The Department also seeks to stimulate effective competitive markets for clean, renewable, and distributed energy resources that benefit New York consumers, as well as product and service innovations.

FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

The Public Service Commission's 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 have jurisdiction over small telephone companies, hundreds of small water companies, over 50 municipal utilities, cable companies, power generators, and energy service companies. The Department — the administrative arm of the Commission — also provides regulatory oversight of electric utility operations on Long Island.



We ensure that companies make appropriate and necessary investments, while preserving affordability for customers by ensuring that services are provided at just and reasonable rates, and we ensure the preservation of environmental values and the conservation of natural resources.

The Department's responsibilities include advising the Commission on all decisions it must make. This includes rate determinations, utility financing, consumer protection, safety and reliability of utility services, and siting of gas and electric transmission facilities. The Department also represents the Commission in court and federal proceedings, which impact New York ratepayers or have a bearing on State legislative mandates concerning utility services or Commission policies. Further, the Department has other responsibilities that include the following: coordinating the emergency response for storm related utility impacts; investigating safety incidents and explosions for regulated utilities (*i.e.*, natural gas, electric, and steam); working with utilities to improve reliability; developing and implementing State regulatory and energy policies; inspecting utility equipment necessary for rendering service; conducting and participating in administrative hearings (public, legislative, and administrative); overseeing the management and operations of audits; and investigating and resolving complaints regarding billing, utility services, or other energy service company practices.

The Department continues to focus on its Diversity, Equity, and Inclusion (DEI) plan that outlines many objectives, including establishing a staff-led DEI committee and workgroup. The Department's DEI plan reinforces other outward-facing actions by highlighting DEI within the Department and creating a forum through which utilities and other energy entities identify best DEI practices across the regulated utility sector.

The Department achieves its performance strategies and objectives, which include consumer protection; safe, reliable, and affordable utility services; and clean energy initiatives, including the Climate Leadership and Community Protection Act, or Climate Act. It is important to note that the Department receives its revenues from a variety of revenue sources, including a total of \$103.3 million from assessments levied on utilities, rather than the State's General Fund.

Our mandates are threefold. We ensure that utility services are safe and reliable, so that customers get the energy and other services that they need. We ensure that companies make appropriate and necessary investments, while preserving affordability for customers by ensuring that services are provided at just and reasonable rates, and we ensure the preservation of environmental values and the conservation of natural resources.

The Department wholeheartedly embraces Governor Kathy Hochul's commitment to transparency, accountability, and public participation in New York State government. To meet that commitment, the Department is engaged in increasing the ability of the public to access information and participate in the Department's proceedings supporting its mission, most notably with a redesign of the Agency's website to encourage greater public participation and awareness.

The 2022-2023 Fiscal Year was a successful year for the Department and Commission. The highlight was our continued work on the Climate Act which codified New York's goals to combat climate change. New York State's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic. Enshrined into law through the Climate Leadership and Community Protection Act, New York is on a path to achieve its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality. It builds on New York's unprecedented investments to ramp-up clean energy including over \$35 billion in 120 large-scale renewable and transmission projects across the State, \$6.8 billion to reduce buildings emissions, \$1.8 billion to scale up solar, more than \$1 billion for clean transportation initiatives, and over \$1.6 billion in NY Green Bank commitments. Combined, these investments are supporting nearly 165,000 jobs in New York's clean energy sector in 2021, a 2,100 percent growth in the distributed solar sector since 2011 and a commitment to develop 9,000 megawatts of offshore wind by 2035. Under the Climate Act, New York continues to build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent with a goal of 40 percent of the benefits of clean energy investments are directed to disadvantaged communities, and advance progress towards the State's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

Partnerships are continuing to advance New York's Climate Act 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.

Since the start of the COVID-19 pandemic in March of 2020, the Commission responded to the most pressing COVID-related impacts for customers on a timely basis as these issues have emerged. Consistent with executive orders, the Commission undertook several actions to address the ramifications of COVID to industries and sectors subject to Commission oversight and programs.

The Commission continues its long-standing commitment of openness and transparency of its regulatory processes. In Fiscal Year 2021-2022 and Fiscal Year 2022-2023, the Commission held 98 virtual public statement hearings and virtual meetings that were attended by thousands of New Yorkers in total. In addition, the Commission received over 21,000 public comments in 2,450 proceedings, and those comments played a key role in helping the Commission in its decision-making process, leading to the issuance of 848 orders.

Sincerely,

Rory M. Christian
Chair and Chief Executive Officer

July 18, 2023

INTRODUCTION

The availability of reliable, affordable, and safe electric, natural gas, water, steam, telecommunications, and cable services is critical to the welfare of the State's citizenry and essential to New York's economy. The Department of Public Service (Department) and the Public Service Commission (PSC, Commission) were statutorily established to oversee these natural monopolies to ensure their essential services are safe and reliable, provided at just and reasonable rates, and are protective of natural resources. From April 1, 2022, to March 31, 2023, the Department and the Commission continued this mission. We also continued to seek to stimulate effective competitive markets that benefit New York consumers through strategic investments and encouraged the development of new innovations.

The staff of the Department is the investigative and advisory body to the Commission relating to the State's utilities and provides a similar function with respect to applications to construct and operate generating facilities before the New York State Board on Electric Generation Siting and the Environment (Siting Board), pursuant to Article 10 of the Public Service Law. In addition, the Department administers policies, rules, and regulations promulgated by the Commission, including service and operating standards for utilities. The chair of the Commission is the chief executive officer of the Department and the chair of the Siting Board.

The Department's responsibilities include advising the Commission on all the decisions it must make in matters such as rate determinations, utility financing, consumer protection, safety, and reliability of utility services, and siting of gas and electric transmission facilities. The Department also represents the Commission in State and federal proceedings which impact New York ratepayers or have a bearing on State legislative mandates concerning utility services or Commission policies. Staff develops and implements State regulatory and energy policies; inspects utility equipment necessary for rendering service to the public; conducts and participates in hearings; oversees management and operations audits; and receives, investigates, and resolves complaints regarding billing, services, and other utility or energy service companies' practices.

ADDRESSING THE COVID-19 PANDEMIC

Through the second year of the COVID-19 pandemic, the Department of Public Service continued working with utilities and consumers across the State. Legislation extended a moratorium that prevented utility companies from disconnecting utilities to residential households and small businesses that were struggling with their bills due to the COVID-19 pandemic, and arrear payments of \$567 million were made available to help low-income electric and gas utility customers pay off past utility bills. The Public Service Commission leveraged \$250 million from the enacted State Budget to require utilities to provide a one-time credit to customers enrolled in the Energy Affordability Program, which eliminated unpaid utility bills that had accrued through May 1, 2022.

INVESTIGATIONS AND SETTLEMENTS

PSC CRITICIZES NYSEG FOR FAILING TO PROPERLY TEST GAS CONNECTIONS

The Public Service Commission (PSC, Commission) approved a plan in November 2022 to require the New York State Electric and Gas Corporation (NYSEG) to identify, detect, and remediate any natural gas leaks due to installation errors concerning certain gas connections used to provide natural gas to some residences and businesses. As a result of a Commission investigation, it was determined that NYSEG's improperly installed tapping tee caused an underground gas leak, which contributed to a residential fire and ultimately led to the complete destruction of the duplex residence located at 2592 Carmel Avenue, Brewster (Putnam County), in February 2022.

The Commission seeks to ensure that public utilities maintain constant vigilance over their gas distribution systems, with public safety as a paramount concern. The Commission holds public utilities responsible for the maintenance and safety of their gas facilities, especially when there are known, problematic components in their systems. This order establishes a process to rapidly address the issues identified.

According to the Commission's investigation, NYSEG employees arriving on scene were the residents' 'last best chance' of discovering and remediating the natural gas leak before a fire began. However, the NYSEG employees failed to have the proper equipment to effectively respond to the leak and wasted valuable time searching for working equipment.

Additionally, NYSEG's own policies and procedures were inadequate to ensure field staff had the necessary equipment while investigating leaks.

Further, the Commission determined that NYSEG's tapping tee near the residence had been installed improperly. NYSEG was previously made aware of the risks associated with improper installation of the devices. As a result of these findings, the Commission is considering whether a financial penalty should be rendered against the utility. That enforcement action remains pending.

The Commission adopted and approved a plan to identify, detect, and remediate any natural gas leaks due to installation errors concerning the 'tapping tees' in question, known as 'Permalock tapping tees.' The plan approved addressed the public safety and remedial issues raised in the investigation. Department of Public Service (Department) staff reviewed NYSEG's plan and its underlying methodology and determined it to be reasonable. Regarding the potential financial penalty, the Commission anticipates that, at a future juncture, it may evaluate those allegations and consider imposing, for each established violation, a civil penalty of up to the greater of \$250,000 or three one-hundredths of one percent of the annual intrastate gross operating revenue, or approximately \$5.1 million.

To date, there have been only six documented cases of incorrect installations of these types of connections, and only two documented gas leaks. To ensure the systems safety, NYSEG performed in-line camera inspections of a randomized sample of 450 sites throughout the NYSEG and Rochester Gas and Electric Corporation

(RG&E) service territories. The inspections also included multiple additional inspections of each tapping tee that could be reached with an in-line camera at a previously designated site. Therefore, NYSEG indicated that the total number of inspections to be performed likely exceeded 450 sites statewide.

NYSEG's sampling plan included a provision that required quarterly reports to be sent to the Department, detailing the sampling plan's findings and progress, as well as milestone reports at certain completion benchmarks. NYSEG indicated that it intends to perform the majority of inspections before the 2023 Winter season, subsequently completing the project by Spring 2024.

Finally, NYSEG was reminded of the identified apparent violations still pending and unresolved. Department staff is engaged in ongoing settlement discussions and discovery regarding these unresolved apparent violations and has prepared an order for consideration at a future session to address the apparent violations and penalties.

PSC INITIATES ENFORCEMENT PROCEEDING AGAINST NATIONAL GRID FOR APPARENT DELAYED RESPONSE TO GAS SYSTEM ISSUES

In December, the Commission ordered National Grid's downstate gas business to show within 30 days why civil penalties should not be imposed by the Commission for the apparent violations related to the avoidable delay in replacing a natural gas pipeline in the Bergen Beach area in Brooklyn.

The safety and reliability of our gas distribution system is a priority concern of the Commission. Instead of a proactive, holistic response to a

facilities' pattern of leaking underground incidents, apparently without conducting a comprehensive assessment to determine why multiple leaks were reoccurring in a particular neighborhood.

The Department's Office of Investigations and Enforcement, in conjunction with gas safety experts at the Department, completed an initial investigation of the facts and circumstances surrounding the replacement of a natural gas pipeline.

National Grid discovered active corrosion on the Bergen Beach gas pipeline at issue on December 6, 2019. The regulatory deadline to replace the corroded pipeline and associated service upgrades, was December 6, 2021. However, National Grid did not complete the required remediation of corroded pipeline in the Bergen Beach area until May 17, 2022 — 162 days past the deadline.

The sandy soil composition and unique geological history of the Bergen Beach community caused subterranean voids to form in and around National Grid's underground gas pipeline facilities. Instead of recognizing these underground voids as a catalyst for the company's immediate remedial response, National Grid apparently responded with repeated, and avoidable, delays.

National Grid employees were actively working in the Bergen Beach area over a seven-year period before December 9, 2019, yet no proactive steps were taken to address, or even investigate, the signs of sinking surfaces and subterranean issues in the neighborhood.

CENTRAL HUDSON CALLED TO ACCOUNT FOR APPARENT BILLING SYSTEM DEFECTS

The Commission received, in December 2022, the findings of a month-long investigation and instituted a proceeding to determine whether the Commission should pursue a civil penalty action against Central Hudson Gas & Electric Corporation (Central Hudson) for apparent failures related to the company's new customer information and billing system. Additionally, the Commission investigated the propriety of the costs incurred by Central Hudson related to implementation of that system.

The problems with Central Hudson's billing system became apparent earlier in 2022, when the Commission began receiving a significant number of complaints from the utility's customers. As a result, Department staff conducted a six-month investigation into Central Hudson's actions related to development and deployment of modifications to its customer information and billing system.

After a review of utility documents and interviews with company officials, Department staff identified several apparent violations of the Public Service Law, regulations, and Commission orders. In addition, staff had reason to believe that the company mismanaged the project and that the costs associated with the project may have been imprudent.

Central Hudson had 30 days to demonstrate why the Commission should not commence a civil penalty action and/or an administrative penalty proceeding for Central Hudson's apparent violations of the Public Service Law, regulations, and Commission orders, and why the Commission should not initiate a prudence proceeding to investigate the propriety of costs incurred by Central Hudson related to

implementation of the system. The company was also ordered to submit a plan to eliminate bi-monthly estimates and to evaluate potential impacts of such a change on customers.

Central Hudson is a regulated transmission and distribution utility serving approximately 309,000 electric customers and 84,000 natural gas customers in a service territory of New York State's Mid-Hudson River Valley. Central Hudson delivers natural gas and electricity in a service territory that extends from the suburbs of metropolitan New York City north to the Capital Region.

DPS EXPANDS INVESTIGATION OF NYSEG AND RG&E FOR BILLING ERRORS

Also in December 2022, the Department expanded its investigation into the New York State Electric and Gas Corporation (NYSEG) and Rochester Gas & Electric (RG&E) potential mismanagement of their utilities' billing systems and protocols. As part of the investigation, the Department's Consumer Advocate hosted a series of public forums in January 2023 to hear consumer concerns first-hand.

Ensuring customer bills are accurate is the singular responsibility of the utility, and this expanded investigation of RG&E and NYSEG determined what went wrong and how was resolved, our bottom line is simple: we hold utilities accountable for any billing errors and we required the companies to hold customers harmless.

The problems with the two utilities' billing systems became apparent when the Department began to see a significant spike in the number of complaints from

customers. As a result, Department staff commenced a review and an investigation related to a September 2022 change to the companies' customer information and billing system.

The complaints received by the Department ranged from incorrect bills being sent to consumers or very late bills being sent. In 2022, the number of consumer complaints against the two companies soared to more than 4,700, which is 60 percent more than the two previous years combined.

The Department has recommended that customers experiencing problems with utility bills should follow the normal consumer complaint process to ensure these complaints are received and resolved in a timely fashion. Customers should first contact their utility for resolution and if unable to get a satisfactory resolution from the utility provider, customers should contact the Department's Office of Consumer Services to file a complaint.

Additionally, the New York State Home Energy Fair Practices Act has comprehensive protections for residential customers regarding their utility services. These rights include the option to pay bills in installments, a cap on late fees, sufficient notice prior to services being shut-off, and protections for those on a fixed income or with medical conditions. Further information about these programs is available on the Department website: <https://dps.ny.gov/ask-psc>.

NYSEG, a subsidiary of AVANGRID, serves 907,336 electric customers and 270,204 natural gas customers across more than 40 percent of upstate New York. RG&E, also a subsidiary of AVANGRID, serves approximately 385,925 electric customers and 319,737 natural gas customers in a nine-county region centered in the City of Rochester, Monroe County.

PLANNING FOR THE CLEAN ENERGY FUTURE

PSC BEGINS GROUNDBREAKING PLANNING PROCESS TO REDUCE GREENHOUSE GAS EMISSIONS FROM THE STATE'S NATURAL GAS DELIVERY SYSTEM

The Public Service Commission (PSC, Commission) adopted gas planning procedures in May 2022 requiring natural gas utilities to submit plans complying with the State's greenhouse gas emission reduction goals. The Commission also adopted new rules setting forth the process for initiating, operating, and lifting a natural gas moratorium.

The gas planning procedures adopted have ensured that gas utilities continue to provide safe, adequate, and reliable service while striving to meet the State's greenhouse gas emissions reduction targets. Furthermore, our new procedures allowed for enhanced stakeholder engagement by creating opportunities for timely and meaningful input to ensure all voices and positions are heard.

Modernizing the gas planning procedures is important so that local gas distribution companies' long-term plans are subjected to transparent review and ensures that they conform to State policies while making certain that the gas utilities can continue to provide safe and adequate service. This critically important gas planning proceeding had been in the works for more than two years, and numerous parties filed comments, including those representing large customers, environmental advocates, individuals, and the affected local gas distribution utilities. Department staff held

a stakeholder conference to discuss the proposal on March 25, 2021, and public statement hearings were held in May 2021.

The utilities are now required to make filings with proposed long-term plans every three years. The filings must include at least one scenario with no new traditional gas infrastructure and quantify greenhouse gas emissions. Each filing initiates a stakeholder engagement process, aimed at developing a consensus long-term plan. Utilities are required to provide annual updates to their long-term plans.

Additional phases of this proceeding dealt with issues such as the avoided cost of gas, depreciation, and statutory/legal changes necessary to ensure greenhouse gas emissions reductions.

In a related decision, the Commission adopted new rules that set forth the process for initiating, operating, and lifting a natural gas moratorium, and covered issues including the metrics used to identify supply shortfall, communications, a Customer Bill of Rights, training materials and outreach, and information on low- and moderate-income customer and disadvantaged community impacts.

These new rules are important given the fact that in certain areas of the State, gas distribution utilities are already operating under moratorium conditions based upon natural gas supply constraints, and such circumstances may reoccur in the future. Accordingly, moratoria management procedures should be implemented expeditiously in the event of additional moratorium enactment or rescission.

By providing a uniform, transparent, and streamlined process for the initiation, operation, and lifting of a natural gas

moratorium, the Commission can minimize impacts to customers while ensuring safe and adequate utility service. Recent experience with moratoria in various gas utilities' service territories demonstrated the need to have clear procedures in place should moratoria be deemed necessary in the future. The moratorium management procedures adopted ensure that customers throughout the State understand when, where, and how a natural gas moratorium may be imposed, and provide details and a Customer Bill of Rights to ensure that all moratoria are invoked, managed, and released in a fair, equitable, and transparent manner for all consumers, including underserved and disadvantaged communities.

PSC ANNOUNCES CLIMATE ACT TRACKING INITIATIVE

The Commission initiated a critically important proceeding in May 2022 to track and assess the advancements made toward meeting the requirements and targets of the Climate Leadership and Community Protection Act (Climate Act) mandates, and to provide policy guidance, as necessary, for additional actions needed to fulfill the objectives of the Climate Act.

New York State's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation. The Climate Act calls for an orderly and just transition to clean energy that creates jobs and fosters a green economy. The Commission's decision provided opportunities for stakeholders to engage in aligning future Commission actions to ensure we remain on target and on track to meet New York's mandates and do so in a manner that aligns with the Climate Action Council.

The New York State Legislature recognizes that ambitious climate and energy goals in the form of greenhouse gas emissions reductions are necessary to combat the adverse effects of climate change. In the Climate Act, the Legislature gave the Commission and the Department new directives, including the requirement to establish a renewable energy program to attain an electric grid served by at least 70 percent renewable energy resources by 2030 and a zero-emissions grid by 2040.

The Climate Act's directives also require the Commission to build upon its existing efforts to combat climate change through the deployment of clean energy resources, energy efficiency measures, and advanced energy storage technologies. In recognition of the scale of change and significant work necessary to meet the Climate Act's aggressive targets, the Commission initiated a proceeding that has been used as a vehicle to assess the progress made in meeting its directives under the Climate Act and to provide guidance, as appropriate, on next steps to timely meet the requirements of the Climate Act.

The Commission and Department of Public Service (Department) have already made significant progress in achieving the State's climate and clean energy goals outlined in the Climate Act. The significant investments authorized by the Commission in partnership with the New York State Energy Research and Development Authority (NYSERDA) and the utilities in energy efficiency and building electrification, include the Clean Energy Fund and New Efficiency. New York State's initiatives are projected to achieve over two-thirds of the statewide energy efficiency goal of one hundred eighty-five trillion British thermal units of customer-level energy reduction by 2025.

Additionally, the Commission’s actions to date have supported the development of large-scale renewable energy resources and advanced green technologies, including solar, transmission infrastructure, energy storage, zero emissions vehicles, and onshore and offshore wind, through its Reforming the Energy Vision (REV), NY-Sun, Clean Energy Fund, and Clean Energy Standard initiatives.

Enshrined into law through the Climate Act, New York is on a path to achieve its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy-wide carbon neutrality. It builds on New York's unprecedented investments to ramp up clean energy, including over \$33 billion in 102 large-scale renewable and transmission projects across the State, \$6.8 billion to reduce buildings emissions, \$1.8 billion to scale up solar, more than \$1 billion for clean transportation initiatives, and over \$1.6 billion in NY Green Bank commitments. Combined, these investments supported nearly 158,000 jobs in New York's clean energy sector in 2020, a 2,100 percent growth in the distributed solar sector since 2011 and a commitment to develop 9,000 megawatts of offshore wind by 2035. Under the Climate Act, New York has built on this progress and reduced greenhouse gas emissions by 85 percent from 1990 levels by 2050, while ensuring that at least 35 percent, with a goal of 40 percent, of the benefits of clean energy investments are directed to disadvantaged communities, and advance progress towards the State's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

PSC AUTHORIZES CONSTRUCTION OF 135 MW BATTERY STORAGE FACILITY IN NYC

The Commission approved the construction and operation of a battery-based energy storage facility with a capacity of up to 135 megawatts (MW) located in Astoria, Queens in June 2022. The \$300 million-facility, known as ‘Luyster Creek Energy Storage,’ was built by Astoria Generating Company, L.P. The facility was developed and operated on a merchant basis and participates in the wholesale energy market. The facility is expected to be operational by 2024.

Energy storage is vital to building flexibility into the grid and advancing Governor Hochul’s ambitious clean energy goals. The Luyster Creek project advances New York State’s greenhouse gas emissions reduction and renewable energy goals as outlined in the Climate Act, including 3,000 MW of statewide energy storage capacity by 2030.

The Commission found that the project did not result in significant adverse environmental impacts, and it helped to advance environmental justice goals by reducing reliance on older oil- and natural gas fired peaker plants in New York City. The Commission also found that the project fits within New York City’s energy goals and policies.

The Commission’s decision was in line with Governor Hochul’s plan to significantly increase battery storage in New York State. On January 5, 2022, Governor Hochul announced in the State of the State plans to double the State’s energy storage target to at least 6 gigawatts (GW) by 2030. The Department and NYSERDA continue to update the Energy Storage Roadmap to reflect the expanded goal.

The Luyster Creek developer stated the project generated positive economic benefits to the surrounding communities with the

addition of temporary construction jobs and local spending for construction in the area while the facility is being built. The expectation is that many of these positions would be filled by skilled labor in the community and surrounding areas.

Astoria Generating owns and operates three electrical generating facilities in New York City: the Astoria Generating Station located in Astoria, Queens, and the Gowanus and Narrows Generating Stations, both located in Sunset Park, Brooklyn.

PSC DIRECTS UTILITIES TO CONDUCT CLIMATE VULNERABILITY STUDIES

The Commission initiated a proceeding in June 2022 requiring major electric utilities to perform climate vulnerability studies to help prepare for the expected increase in severe weather expected from climate change. The implementation plans, which were subject to Commission review and consideration, detailed what changes the utility needs to make to prepare for harsher climate realities, including stronger storms and more flooding.

Each utility established, within the one-year deadline, that climate resilience working groups meet to discuss the issues and development of each plan. Climate Change Vulnerability Plans, due in November 2023, should explain the approach the corporation would follow to mitigate the impacts of climate change to utility infrastructure, reduce restoration costs and outage times associated with extreme weather events and enhance reliability. Within eleven months after the plans are filed, the Commission will either approve or modify the plans, following a public hearing. Each corporation must file an updated storm plan with the Commission for approval at least every five years. The Long Island Power

Authority (LIPA) Board considered the issue separately.

According to the Commission's decision, adherence to such plans have enabled electric utilities, and their electric service customers, to be better prepared to respond to, reduce damage from, and reduce restoration costs of future extreme weather events and the impacts of climate change.

The Commission initiated the proceeding to implement requirements of legislation signed by Governor Hochul requiring gas and electric utility corporations submit a climate change vulnerability study to evaluate each electric corporation's infrastructure, design specifications, and procedures to better understand the electric system's vulnerability to climate-driven risks.

Given the potential impacts of climate change on the provision of utility services, utilities must earnestly consider these impacts as part of their future decision-making. Both the studies and the plans are subject to public review. Comments are expected by the electric utilities and interested parties concerning content of the studies and proceeding process, including potential implementation plan screening criteria for Commission consideration.

The studies conducted, and the plans that were submitted, detail how each of the major electric utilities incorporated climate change into planning, design, operations, and emergency response. Incorporating climate change into existing processes and practices have helped to manage climate change risks and build resilience.

The studies are to be submitted by Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., National Grid, New York State

Electric & Gas, Rochester Gas & Electric, and Orange & Rockland Utilities, Inc. by September 2023, evaluating each electric corporation's infrastructure, design specifications, and procedures to better understand the electric system's vulnerability to climate-driven risks. To address the results and conclusions of the utility studies, each utility was mandated to file by November 21, 2023, a climate vulnerability and resiliency plan to address the results/conclusions of the study for the next 10 and 20-year periods.

In March 2023, utilities established a working group concerning the issues and development of each plan. The plans explained the approach the corporation followed to mitigate the impacts of climate change to utility infrastructure, reduce restoration costs and outage times associated with extreme weather events and enhance reliability. By October 21, 2024, the Commission will either approve or modify the plans, following a public hearing. Each corporation must file an updated storm plan with the Commission for approval at least every five years. The Long Island Power Authority (LIPA) Board considered the issue separately.

The prudent costs for implementing the plan were recovered in each utility rate proceeding following the Commission's plan determination. For capital projects placed into service and additional unrecovered costs incurred prior to base rates being reset, cost recovery is through a climate resiliency cost recovery surcharge.

PSC BREATHES NEW LIFE INTO POPULAR CON EDISON CLEAN HEAT PROGRAM

The Commission approved Consolidated Edison Company of New York, Inc.'s (Con Edison) request in August 2022 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. The combined decision resulted in \$518 million in funding made available for the company to continue processing applications and allowed for up to \$10 million per month of additional funding to continue operating the program.

The New York State Clean Heat Program, in which all the major utilities participate with support from NYSERDA, promotes the electrification of space and water heating by offering contractor and customer incentives for the installation of air- and ground-source heat pumps.

Con Edison's Clean Heat Program commenced in March 2020 with rapid growth in the second half of 2021 and the beginning of 2022. That growth put the company on track to substantially exceed its cumulative 2020 through 2025 MMBtu savings target and exhaust its cumulative budget nearly four years ahead of schedule.

The extraordinary program growth led the company to announce it would stop accepting new air source heat pump project incentive applications indefinitely and, more recently, has instituted a waitlist for all large multifamily and commercial and industrial ground source heat pump project applications. Con Edison is limiting custom ground source heat pump incentives to a maximum of \$1 million per project.

Governor Hochul's commitment to protecting and enhancing our environment has been steadfast. The Commission's actions provided for the funding necessary to allow the company

to resume processing and accepting Clean Heat Program applications, thereby minimizing market disruption, and advancing the State's building electrification goals and mandates.

Similar to an air conditioner, but with the addition of a reversing valve, heat pumps allow for a change of the refrigeration cycle from heating to cooling or vice-versa. Heat pumps absorb heat from a source, such as outdoor air or the ground, and transfers the heat rather than producing it. During the heating season, heat is extracted from a heat source and supplied to the conditioned space.

Conversely, during the cooling season, heat is extracted from the conditioned space and sent into the heat sink. Electrifying buildings' heating loads are a critical component of meeting New York's ambitious climate objectives.

The Commission's decision was met with requests from more than a dozen local government officials, sustainability organizations, as well as numerous heating contractors, supporting further funding for the Clean Heat Program in Con Edison's service territory in order to lift the program pause and continue providing incentives for heat pump technologies.

PSC MOVES THREE MAJOR WIND AND SOLAR PROJECTS AHEAD

In September 2022, the Commission approved important compliance filings for three major wind and solar farms in upstate New York, part of the Commission's continuing effort to spur the development of clean, renewable energy in New York State. The actions taken were needed before the projects could start certain construction related activities or become operational.

The compliance filings, considered among the last approvals required before a project becomes operational, relate to the following projects: Baron Winds, a 242-megawatt (MW) project in the towns of Cohocton, Dansville, Fremont, and Wayland (Steuben County); Excelsior Energy Center, a 280-MW solar farm in the Town of Byron (Genesee County); and Trelina, an 80-MW solar farm in the Town of Waterloo (Seneca County).

For Baron Winds, the Commission approved compliance filings related to its site engineering and environmental plan and cultural resources mitigation. Regarding Excelsior Energy Center, the Commission approved more than 10 compliance filings related to site environmental engineering, site security, route evaluation, visual mitigation and landscape screening, underground and overhead service line layout, and wetland restoration. And finally, the Commission approved compliance filings for the Trelina solar farm needed to initiate tree clearing and grading construction activities and installation of temporary construction trailers for project-related activities.

NEW YORK'S TRANSITION TO CLEAN TRANSPORTATION

Governor Hochul commemorated 'National Drive Electric Week' in September 2022 by directing the Department of Environmental Conservation (DEC) to take major regulatory action requiring all new passenger cars, pickup trucks, and SUVs sold in New York State to be zero emissions by 2035. This is a crucial regulatory step to achieving significant greenhouse gas emission reductions from the transportation sector and is complemented by new and ongoing investments, including electric vehicle infrastructure progress, zero-emission vehicle incentives, and ensuring

New York's communities benefit from historic federal climate change investments.

Proposing draft State regulations is an important step in the process to electrify the transportation sector and help New York achieve its climate requirement of reducing greenhouse gases 85 percent by 2050, while also reducing air pollution, particularly in disadvantaged communities. DEC is expediting the regulatory process to achieve the goals of transitioning to new zero-emission cars and trucks. California's action finalizing the Advanced Clean Cars II regulation unlocked New York's ability to adopt the same regulation.

The regulation built upon existing regulations enacted in New York in 2012 by requiring all new sales of passenger cars, pickup trucks, and SUVs to be zero-emission by 2035. It would require an increasing percentage of new light-duty vehicle sales to be zero-emission vehicles (ZEV) starting with 35 percent of sales in model year 2026, 68 percent of sales by 2030, and 100 percent of sales by 2035. New pollutant standards for model year 2026 through model year 2034 passenger cars, light-duty trucks, and medium-duty vehicles with internal combustion engines would also be required. The regulation provides manufacturers with flexibility in meeting the emission requirements and achieving a successful transition to cleaner vehicles.

Adoption of Advanced Clean Cars II is included among the recommendations in the Climate Act Council's Draft Scoping Plan, and it was instrumental in achieving the greenhouse gas emissions reductions required in the Climate Leadership and Community Protection Act. In addition, reducing emissions has provided significant air quality benefits to many of New York's disadvantaged communities, predominantly home to low-income Black, Indigenous, and

People of Color, and often adjacent to transit routes with heavy vehicle traffic. The regulation helped address disproportionate risks and health and pollution burdens affecting these communities.

The announced directed regulatory action builds on New York's ongoing efforts to reduce emissions of greenhouse gases, including the adoption of the Advanced Clean Trucks regulation in December 2021. That regulation drove an increase in the number of medium- and heavy-duty ZEV models available as purchase options for vehicle purchasers and fleets. In addition, several transit agencies including the Niagara Frontier Transportation Authority, the Rochester-Genesee Regional Transportation Authority, and the Metropolitan Transit Authority are leading by example with second wave deployments of electric buses. DEC, NYSERDA, New York Power Authority (NYPA), and the Department of Transportation (DOT) are assisting these authorities with their efforts.

Both the Advanced Clean Trucks and Advanced Clean Cars II rules would provide the needed regulatory certainty to support a stable market for long-term vehicle purchasing decisions and the development of ZEV charging infrastructure.

New York is investing more than \$1 billion in ZEV of all weight classes over the next five years. Active light-duty vehicle initiatives include zero-emission vehicle purchase rebates through NYSERDA's Drive Clean Rebate Program, zero-emission vehicle and charging infrastructure grants through DEC's Climate Smart Communities Municipal Grant Program, as well as the EV Make Ready initiative, NYPA's EVolve NY charging infrastructure program, and DOT's National Electric Vehicle Infrastructure (NEVI) charging infrastructure program to help expand electric vehicle use.

PSC REVIEWS EV MAKE-READY PROGRAM

The Public Service Commission commenced a highly anticipated mid-point review of the very successful EV Make-Ready Program run by the large investor-owned electric utilities.

Among the topics being examined, the review assessed the program budget and incentive levels, and whether there is a need for additional phases of the program. It also considered whether there is a need to revise the accessibility criteria to include public pay-to-park lots, along with considering whether to allow utility ownership of charging station hardware.

Well-designed EV charging programs are essential to the utility and transportation sectors. By providing EV drivers with incentives for beneficial charging behavior, along with resources that makes charging hassle-free, the managed charging programs is a win-win for EV drivers in the form of lower fuel costs and the electric grid in the form of reduced infrastructure costs.

PSC LAUNCHES REVIEW OF CORNERSTONE CLEAN ENERGY PROGRAMS

The Commission initiated a review in September 2022 of several of its landmark clean energy programs, including utilities' efforts under New Efficiency: New York (NENY) and NYSERDA's Clean Energy Fund (CEF). Combined, these portfolios represent nearly \$10 billion in customer funding for long-term, far-reaching energy efficiency and building electrification strategies designed to drive meaningful market-enabling development of workforce, supply chain, and consumer demand.

The Commission had previously committed to conduct a formal interim review of NENY to commence in 2022. Given the close relationship between NENY and the energy efficiency and building electrification aspects of the CEF, the Commission determined it would be appropriate to review the NENY and relevant CEF programs concurrently. The significant acceleration in energy efficiency and building electrification activities and the necessary evolution of the programs required to meet the NENY and related CEF targets and, more broadly, support New York's clean energy goals under the Climate Leadership and Community Protection Act (Climate Act), including its commitment to supporting disadvantaged communities, would require the Commission to closely examine the utilities' and NYSERDA's progress and readjust and potentially extend the targets and budgets beyond 2025. Specifically, the Commission determined that the interim review would assess all meaningful aspects of the portfolios' design and administration, useful innovation, and governance oversight, as well as adjustments to targets and budgets.

The first stage of the Commission's reviews focused on the energy efficiency and building electrification programs, including efforts targeting low-to moderate-income (LMI) customers and assess the State's progress toward the NENY and CEF energy efficiency and building electrification targets and alignment with the Climate Act and other related New York State clean-energy policy directives. The Commission directed Department staff to file a public report that summarized the energy efficiency and building electrification performance and set forth a series of questions to solicit input from parties as to the evolution necessary for these portfolios. The staff report and resulting public feedback were considered as a component of this first stage of review.

The Commission’s review of these portfolios was crucial as energy efficiency and building electrification programs play a key role in the achievement of New York State’s clean energy goals. The deployment of energy efficient resources reduces or eliminates electric and natural gas consumption, avoiding the harmful pollution associated with electricity generation and natural gas distribution.

The emission of carbon dioxide and other pollutants can also be reduced through electrification, with efficient electric heat pumps or ground source heat pumps displacing the use of fossil fuel equipment, delivering even greater environmental benefits as the State’s electric generation becomes cleaner.

Energy efficiency and electrification can also offer cost reductions to the customers that install them and, in particular, can improve affordability for LMI customers. During this review, the Commission evolved the LMI-focused programs to ensure alignment with the Climate Act’s stated goals for activities in disadvantaged communities.

Subsequent stages of the review addressed NYSERDA’s Innovation & Research and New York Green Bank Portfolios. These subsequent reviews began following NYSERDA filings, due no later than July 1, 2024, that provide performance summaries and specific requests for Commission consideration.

Energy efficiency has been a go-to resource and we need to continue to aggressively pursue this solution. New York’s commitment to protecting and enhancing our environment has been steadfast. As we look ahead to the level of ambition that Climate Act lays out

for us, we need to assess all of our efforts to ensure funds are being directed strategically to advance our goals while ensuring services are provided to disadvantaged communities and low-income consumers.

PSC FINALIZES PLANS TO REDUCE PEAK NATURAL GAS DEMAND IN NATIONAL GRID’S SERVICE TERRITORIES STATEWIDE

The Commission finalized plans in October 2022 to update gas demand-response programs designed to reduce gas consumption during cold-weather and peak-gas usage events during the winter-heating season in National Grid’s downstate service territories for residential and commercial customers, and to implement the same programs in National Grid’s upstate service territory.

With these changes, some 1.7 million residential and small commercial customers in National Grid’s natural gas service territory statewide were eligible to participate in the ‘bring your own thermostat’ (BYOT) program with an eligible smart thermostat, and 13,300 commercial customers in National Grid’s natural gas service territory statewide were eligible to participate in the commercially focused, performance-based gas demand reduction programs.

According to the Commission’s decision, demand response programs continue to be an integral part of gas utilities’ system planning in future years. In its decision, the Commission found it reasonable to continue to operate and expand such programs in utility service territories with a demonstrated history of implementing these programs cost-effectively and supports expansion of such programs to other utility service

territories where we expect the programs to be cost-effective.

In August 2021, the Commission ruled that New York’s nation-leading Climate Act requirements must be factored into utility rate cases. The modifications finalized to the programs proposed by National Grid NY (KEDNY), KeySpan Gas East (KEDLI), and National Grid’s upstate gas business, are consistent with the Climate Act.

Natural gas demand-response programs provide an opportunity for consumers to play a significant role in the operation of the natural gas grid by reducing or shifting their usage during peak periods in response to financial incentives. Demand-response programs are being used as resource options for balancing supply and demand. As established in National Grid’s supplement to its long-term plan for its service territories, demand-response programs, and customer participation in them, have helped ensure that National Grid successfully meets customer needs.

The modifications made to KEDNY and KEDLI’s existing gas-demand programs included rebranding the commercial programs formerly known as the ‘daily demand reduction program’ and the ‘hourly demand reduction program’ to be now called the ‘load-shedding demand reduction program’ and ‘load shifting demand reduction program,’ respectively, and shift the time for the commercial demand response programs and the residential BYOT program for the evening peak from 5:00 p.m. to 9:00 p.m. to 4:00 p.m. to 8:00 p.m., among other modifications to improve operation of the programs. The revised programs became effective November 1, 2022.

The load-shedding demand reduction program focused on commercial, industrial, and multi-family firm service customers capable of reducing their peak gas load over

an eight-hour period on event days. Customers were asked to reduce gas consumption during pre-determined hours, either by shutting off non-heating gas equipment or switching to a backup non-gas heating fuel source during events. Similarly, the load-shifting demand reduction program focuses on commercial, industrial, and multi-family firm service customers capable of reducing their peak gas load over a four-hour period on event days. Customers were asked to shift gas consumption out of specified pre-determined hours, either by shutting off non-heating gas equipment or switching to a backup non-gas heating fuel source during events. In return for participating in either program, customers received a monthly reservation payment based on the amount of load relief they enroll in the program, and a performance payment based on the amount of load relief provided during called events.

The BYOT program is a load-shifting program focused on residential and small commercial customers which uses Wi-Fi connected thermostats to remotely lower temperature set points, thus shifting peak hour gas loads on event days. Under the BYOT program, customers are asked to shift part of their gas use out of peak morning or evening periods into other times of the gas day. BYOT customers are eligible for two types of incentives: a one-time instant incentive after the Wi-Fi connected thermostat is installed and after a KEDNY, KEDLI, or National Grid upstate has confirmed the ability to communicate with the device; and an annual incentive beginning in the second year of participation in the program and continuing through subsequent years.

PSC APPROVES RENEWABLE GAS PROJECT IN CAYUGA COUNTY

The Commission approved Bluebird Renewable Energy, LLC, to construct, own, and operate a renewable gas project in Cayuga County in November 2022. The project consisted of facilities for the processing and transportation of biogas from anaerobic digesters located at the Aurora Ridge Dairy and Sunnyside Farm to a processing facility located at Sunnyside Farm.

As per the Commission decision, the processed gas was compressed for loading into federally approved carbon fiber tube trailers and trucked to where the gas was injected into the natural gas pipeline system.

The project developer has demonstrated the project's economic feasibility, ability to finance improvements of gas plant, and ability to render safe, adequate, and reliable service, and to provide just and reasonable rates. In addition, the project is in the public interest because it supports the State's transition away from natural gas use and help reduce methane and other emissions.

The project included the construction of two pipelines. One pipeline, approximately 5.5 miles in length, runs from the anaerobic digester at the Aurora Ridge Dairy to the Sunnyside Farm processing facility and crosses publicly owned rights-of-way in the Towns of Ledyard and Venice in Cayuga County. The second pipeline, approximately 1,500 feet in length, transports raw biogas from the Sunnyside Farm's digester to the processing facility. The processing facility consists of systems that purify, compress, meter, and ensure the quality of the processed gas.

According to the developer, biogas from the outlet of the Aurora Ridge Dairy digester would be treated by a state-of-the-art biologically regenerated scrubber to reduce hydrogen sulfide content, compressed, and then chilled to reduce the moisture content to avoid condensation of free liquids in the Aurora Pipeline.

While some opponents of the project felt that it would lead to increased Greenhouse Gas (GHG) emissions, Department analysis determined that the project, on average over its 30-year life, resulted in a net reduction in CO₂ equivalent GHGs, and therefore is compliant with the Climate Leadership and Community Protection Act (Climate Act) requirements. The project also reduces emissions from the farms themselves. Accordingly, the record before the Commission demonstrated that the project is consistent with the Climate Act and supports allowing the project to proceed.

FOUR MAJOR WIND PROJECTS MOVE FORWARD

The Commission approved important compliance filings in November 2022 for four major wind farms in upstate New York, part of the continuing effort of the Commission to spur the development of clean, renewable energy in New York State. The actions taken were necessary before the projects could start certain construction related activities or become operational.

The compliance filings, considered among the last steps before a project becomes operational, relate to the following projects: Eight Point Wind, a 101.8-megawatt (MW) wind farm in the Towns of Greenwood and West Union (Steuben County); Bluestone Wind, a 124-MW wind farm in the Towns of Windsor and Sanford (Broome County); Baron Winds, a 242-MW wind farm in the Towns of Cohocton, Dansville, Fremont, and Wayland (Steuben County); and Number Three Wind, a 105.8- MW wind

farm in the Towns of Lowville and Harrisburg (Lewis County).

Bluestone Wind's compliance concerns the submission of the final complaint resolution, emergency action, site security, health and safety, and curtailment plans, as well as bald and golden eagle, bat and avian monitoring, protection measures, and net conservation benefit plans. Baron Winds' compliance relates to emergency procedures, site security, turbine lighting, maps and site plans, bat curtailment, eagle mitigation, avian and bat-monitoring, and adaptive management plans as well as installation of aircraft detection lighting systems.

Eight Point Wind's compliance refers to shadow flicker caused by wind turbine operation; avian and bat monitoring and adaptive management; and net conservation benefit plans.

And finally, Number Three Wind's compliance concerns net conservation benefit plans for grassland birds, plans for post construction bat and avian monitoring, emergency response plans, site security plans, and operations and maintenance plans, including for facility and corridor-vegetation management plans.

These four projects are among the 18 renewable energy projects approved by the Board on Electric Generation Siting and the Environment (Siting Board) through November 2022. Taken together, solar and wind farm projects approved by the Siting Board generated more than 2,510 MWs of clean, renewable energy

PSC INCREASES ADMINISTRATIVE FUNDING FOR CLEAN ENERGY PROGRAMS

The Commission approved NYSERDA's request in December 2022 for administrative funds for the 2023 Clean Energy Standard (CES) compliance year, with modifications, resulting in a \$33.4 million budget, an 11

percent increase over the 2022 CES administrative funds. The increase in funding helped play a key role in allowing New York State to meet the clean energy goals set forth by the Climate Leadership and Community Protection Act, or Climate Act. The funding supported CES programs to cover the administrative funding used for salaries and overhead, system development to maintain the systems to operate programs, and technical and implementation support. The funds allowed NYSERDA to hire additional staff, manage the ever increasing and more complex renewable energy contracts and corresponding workload, and oversee increased technical services. NYSERDA's workload in the form of contracts to be settled and subsequently managed increased, and it is expected that the trend for an increased workload will continue in the upcoming years.

As the amount of renewable generation increases in combination with the need to plan and build the necessary transmission and distribution systems to accommodate increased offshore wind and onshore renewable systems in the most efficient and economic manner, the need for continued and increased technical support is necessary.

The approved funds allowed NYSERDA to hire additional staff, manage the increasing and more complex contracts and corresponding workload, and oversee the increase in technical services.

NYSERDA is an integral partner in helping reaching New York State's nation-leading climate agenda. Our action today provides the necessary funding needed to continue their mission to support innovative programs and provide technical expertise to help New Yorkers increase efficiency, save money, use renewable energy, and reduce reliance on fossil fuels.

INDIAN POINT DECOMMISSIONING OVERSIGHT BOARD

Indian Point Nuclear Power Plant (Indian Point), on the eastern shore of the Hudson River in Westchester County, was closed as planned on April 30, 2021. The 2,000-megawatt nuclear power plant, located 24 miles north of New York City, presented numerous threats to the safety and environmental health of the 19 million people who live or work in the New York metropolitan area.

New York State appreciatively acknowledged Holtec Decommissioning International LLC's (Holtec) decision to pause the May 2023 releases from the Indian Point spent fuel pools. Holtec's pause allowed the State to independently analyze the spent fuel pool water before its release. The pause also allowed time for the Nuclear Regulatory Commission (NRC), which has jurisdiction over these discharges, to answer questions raised by U.S. Senators Charles Schumer and Kirsten Gillibrand, and to address concerned public and local elected officials at a meeting of the Decommissioning Oversight Board (DOB).

Holtec's cooperation with the State to sample and analyze the treated spent fuel pool water before it proceeded with discharges was an important step toward improving the transparency of the spent fuel pool dewatering process, which is a necessary part of decommissioning.

Holtec's agreement to pause the partial dewatering planned for May was also an important step toward rebuilding trust in the community. Holtec was urged to engage with the elected officials in the region and to respond to their concerns, while staying true to the key public-interest principle of a safe, prompt, and thorough decommissioning of Indian Point. While releases of treated spent fuel pool water occur under the auspices of the federal government, it does not relieve

Holtec of its responsibility to partner with the host community to address local concerns about various aspects of the decommissioning process.

Decommissioning, the radiological clean-up and dismantling of a nuclear facility, is extremely demanding, both technically and financially. Accordingly, the NRC requires that nuclear facilities establish and maintain funding to pay for facility decommissioning following closure.

In the case of Indian Point, portions of its three decommissioning trusts were capitalized by New York ratepayers through electricity bills. Holtec obtained the NRC's approval to use the trust money to conduct the required radiological decommissioning, and to fund spent fuel management and site restoration. Of the approximately \$2.4 billion of aggregated decommissioning trust funds, Holtec estimated that it disbursed more than \$630 million for spent fuel management alone, which raised concerns whether the remaining funds are adequate to conduct safe and comprehensive decommissioning at a site known to harbor substantial contamination.

The joint proposal to resolve the ongoing Commission proceeding and address the State's concerns was intended to ensure that adequate funds are available to complete the project subject to State oversight.

The Indian Point Closure Task Force worked with local governments to mitigate local tax and workforce impacts, and the State will continue assisting local governments in that effort. The DOB was established to advise on and assess how to protect the financial, environmental, and physical interests of the communities affected by decommissioning, including the interests of the current workforce as it relates to continuing the public safety of the surrounding communities.

In May, the PSC approved the sale of Indian Point to Holtec International subsidiaries. The PSC approved a negotiated agreement by the State of New York, County of Westchester, local governments, Public Utility Law Project, Riverkeeper, Entergy (the former owner of Indian Point), and Holtec, which provided for the transfer of the nuclear power facility to Holtec for a swift, complete, and safe decommissioning and site remediation.

The long-term trajectory ensuring the State's greenhouse gas emissions reductions targets are met remains on track. Indian Point's closure had been anticipated by State energy planners for more than a decade, and the plant's continued operation was therefore not included in the State's greenhouse gas emissions reduction plans. New York State generators must comply with the Regional Greenhouse Gas Initiative's (RGGI) carbon cap, ensuring the region's emissions continued to decline after Indian Point closes.

Current Entergy employees were offered jobs at other facilities, and the State continues to work with affected workers to gain access to new jobs in the power and utility sector.

Tax payments from plant owner Entergy will ramp down gradually following plant closure. In addition, the taxing jurisdictions may be eligible to receive seven years of financial assistance from the State's power plant cessation mitigation program administered by Empire State Development. Additionally, at the request of the Indian Point host communities and others earlier this year, the PSC adopted a stable funding mechanism providing a longer-term funding source for the program should local communities continue to need that support. New York is part of the regional cap and trade program, and the State has remained under the emissions cap, which declines 30 percent between the years 2021 and 2030.

Emissions, specifically CO₂ emissions, have reduced consistently over time due to increased efficiency of the grid as a whole. This includes the addition of renewables, the retirement of less efficient generation, the installation of more efficient conventional generation, and more efficient energy usage. The long-term trajectory of reducing emissions remains on track.

State-supported additions of energy efficiency and renewable energy since 2011 make up more than the generation capacity at Indian Point. New York continues its nation-leading renewable energy buildout comprised of nearly 100 large-scale solar, land-based wind and offshore wind projects awarded by the State that added nearly 11,000 megawatts of clean power to the grid, enough to power over five million homes, and builds on the more than 150,000 jobs in New York's clean energy sector.

Once these projects have been completed, combined with the State's commitment to building out new green energy transmission infrastructure, more than half of New York's electric capacity are expected to come from renewable sources, putting the State ahead of schedule toward reaching its goal of 70 percent renewable energy by 2030. Already, 730 megawatts of transmission improvements and energy efficiency are in-service via the PSC's Indian Point Contingency Plan, and more than 20 large-scale renewable energy projects are under construction across New York State this year.

The joint proposal approved by the PSC addressed the State's concerns that adequate funds are available to complete the project subject to State oversight. Under the agreement, Holtec is required to adhere to a robust suite of financial and administrative provisions.

MAJOR RATE CASE DECISIONS

PSC CUTS O&R RATE HIKE REQUEST SUBSTANTIALLY

The Public Service Commission (PSC, Commission) approved a three-year electric and gas rate plan in April 2022 for Orange and Rockland Utilities, Inc.'s (O&R) customers that is significantly lower than what the company initially requested. The Commission adopted a joint proposal signed by the company, Department staff, and the New York Power Authority (NYPA), among others, that contains provisions to further the objectives of the Climate Leadership and Community Protection Act (Climate Act) and respond to the economic conditions created by the COVID-19 pandemic while ensuring that the utility continues to provide safe and reliable service at just and reasonable rates.

The adopted joint proposal allows for funding for the company to maintain safe and reliable service, while moderating rate impacts during the term of the rate plan and mitigating the impacts to ratepayers suffering the financial consequences of the pandemic. This agreement is consistent with our nation- leading clean-energy initiatives and our social and economic-justice policies.

O&R sought an increase in electric revenues of \$24.5 million (or a 5.8 percent increase in base delivery and a 3.3 percent increase in total system revenues) and an increase in gas revenues of \$9.8 million (or a 6.9 percent increase in base delivery and a 4 percent increase in total system revenues).

The Commission's decision established a three-year rate plan for electric and gas service provided by O&R for the period January 1, 2022 through December 31,

2024, that allowed revenues to increase by 2 percent for electric and 1.92 percent for gas in the first year, and by less than 2 percent for electric and gas in the second and third year, providing an immediate benefit to ratepayers who would otherwise experience higher rates at a time when the economy is still recovering from the COVID-19 pandemic.

In direct response to customer concerns, the PSC eliminated wage increases for senior management for a two-year period from October 1, 2020, through December 31, 2022, which results in saving customers approximately \$510,000. Further, the Commission opted to pass on to customers \$975,000 in benefits realized from COVID-19 relief-related payroll tax credits under the federal Employee Retention Tax Credit. The Commission said the tax credit is for the benefit of customers, rather than for shareholders to retain, as the company initially proposed.

Total electric bills for a residential customer using 600 kilowatt hours per month would increase by 1.4 percent in the first year, 2.7 percent in the second year, and 3.1 percent in the third year. Total gas bills for a residential heating customer using 110 hundred cubic feet per month would increase by 3.2 percent in the first year, 1.8 percent in the second year, and 2.3 percent in the third year.

O&R sought to reduce the amount of electricity and natural gas consumed. The company had also:

- Deployed approximately 3,000 electric vehicle (EV) plugs to support an expected 33,866 EVs (resulting in 1.6 million avoided tons of carbon by 2025).

- Targeted an additional 84.6 megawatts (MW) of energy storage by 2024.
- Targeted approximately 120 MW of solar energy by 2024.
- Removed the promotion of natural gas conversions through customer mailings, emails, and marketing material.

In addition to the aforementioned parties, the joint proposal was signed by the New York Geothermal Energy Organization and New Yorkers for Cool Refrigerant Management. In soliciting public input on the joint proposal, the Commission held public statement hearings and solicited comments.

In upstate New York, O&R provides electric service to approximately 233,000 customers, and gas service to approximately 140,000 customers.

The PSC decision was the result of substantial efforts of the parties to these proceedings. The negotiated phase of the process commenced after parties had the opportunity to submit testimony and began with the issuance of a notice to all potential participants as required by the PSC’s rules. Members of the public were offered the opportunity, through Commission solicitations, to comment on the joint proposal through various means, including making statements at a public hearing, filing written comments, and leaving oral comments by phone message. All interested parties had full opportunity to participate in these proceedings and address the provisions of the joint proposal.

The joint proposal had the support of five parties, and the fact that the proposed terms were supported demonstrated that the joint proposal reflected a reasonable compromise within the range of outcomes that could have been expected from a litigated

decision. Indeed, the joint proposal’s terms proposed actions that could only be reached through settlement and is likely superior to a litigated outcome. The Commission’s action adopting the joint proposal required O&R to take various steps in furtherance of the State’s greenhouse gas emissions reductions targets and clean energy priorities as stated in the Climate Act.

PSC REDUCES CORNING GAS RATE HIKE REQUEST BY HALF

The PSC approved a proposal in June 2022 setting forth a three-year rate plan for Corning Natural Gas Corporation (Corning), along with the terms and conditions for approval of a proposed merger. The approved agreement provided for a comprehensive rate plan commencing July 1, 2022, and extending for three consecutive rate years, ending June 30, 2025.

The rate plan permitted Corning to increase revenues from gas operations by levelized amounts of \$1.7 million in the first year, \$1.8 million in the second year, and \$1.74 million in the third year. Corning had proposed levelized revenue increases of \$3.6 million in each of the three rate years.

Based upon the record, the joint proposal adequately mitigated rate impacts during the term of the three-year rate plans, while providing sufficient funding for the company to maintain safe and reliable service and attract necessary capital to ensure its long-term viability.

With the Commission’s decision, the average annual total bill impact for residential heating customers is \$81.70 annually, an increase of approximately 6.9 percent, in the first year; \$89.23 annually in the second year, an increase of 7 percent; and \$86.34 annually in the third year, an increase of 6.4 percent.

Corning is a local gas distribution company with 430 miles of gas mains and service lines that sell or transport natural gas to approximately 15,000 customers. Gas deliveries are made across 23 towns and villages, covering about 360 square miles, across portions of Steuben, Chemung, and Cortland Counties.

The signatories of the rate provisions of the joint proposal included Corning, the Department of Public Service, and multiple intervenors. In addition to the rate changes, the Commission approved a merger between Corning and Argo Infrastructure Partners LP, a private equity firm that specializes in owning utility-infrastructure.

In terms of reducing greenhouse gas emissions, the agreement required Corning to replace or remove a combined total of 28 miles of leak-prone pipe over the three-year period 2022 through 2024. Eliminating such pipe results in a reduction of the number of leaks in the system, as well as a reduction in the costs associated with responding to leak calls and those costs related to repairing and monitoring leaks. This results in a substantial increase in safety and a reduction of methane emissions, a known greenhouse gas.

The joint proposal benefits customers through gas safety and customer service performance metrics that carry positive and negative revenue adjustments to incentivize the company in meeting established targets. It strikes the appropriate balance between the need to decrease greenhouse gas emissions and the need for the company to meet its legal obligations to provide safe and reliable gas service at rate levels that are just and reasonable.

IMPROVING UTILITY PERFORMANCE AND RELIABILITY

PSC RECEIVES REPORTS ON ELECTRIC RELIABILITY, GAS AND ELECTRIC SAFETY, CUSTOMER SERVICE OF THE STATE'S LARGE PUBLIC UTILITIES

The Public Service Commission (PSC, Commission) reviewed the State's major utilities in June 2022, in terms of their 2021 performance in a number of key areas, including electric reliability service, gas safety, electric safety, and customer service.

As a result of the review, utility revenues collected from customers were reduced by a total of \$19.5 million for four upstate utilities for failing to meet reliability and customer service targets. The reduced utility revenues will occur in the next rate case for each of the respective utilities.

Electric Reliability: Department of Public Service (Department) staff completed annual reviews of the electric service reliability performance for the New York State electric utilities and presented the 2021 report to the PSC. The Commission relies on two primary metrics to measure performance, the System Average Interruption Frequency Index (SAIFI or frequency) and the Customer Average Interruption Duration Index (CAIDI or duration). By compiling the interruption data provided by the individual utilities, the average frequency and duration of interruptions can be reviewed to assess the overall reliability of electric service statewide.

Excluding major storms, the statewide interruption frequency for 2021 remained the same as the previous year and is slightly worse than the statewide five-year average. The statewide interruption duration, excluding major storms, remained the same as the previous year's index of 1.99 hours. That is 2.4 minutes longer than the five-year

average. The State experienced 38 separate storm events that qualified as major storms in 2021. Customers affected by major storms decreased 54 percent when compared to 2020, and customer hours of interruption from major storms decreased 86 percent when compared to 2020. Reliability Performance Mechanisms are company-wide performance targets established by the Commission in rate orders; companies are subjected to negative revenue adjustments for failing to meet their reliability targets. New York State Electric & Gas Corporation (NYSEG) and Rochester Gas & Electric (RG&E) each failed to meet their frequency target. As a result, NYSEG incurred a negative revenue adjustment of \$7 million, and RG&E incurred a negative revenue adjustment of \$5 million. Central Hudson exceeded its targets for both frequency and duration. As a result, Central Hudson incurred a total negative revenue adjustment of approximately \$5.2 million.

Electric Safety: The Commission established electric safety standards to safeguard the public from exposure to stray voltage and to identify and eliminate potentially harmful conditions before serious safety hazards and/or reliability deficiencies develop. The standards include stray voltage testing of streetlights and electric facilities that are accessible to the public. In 2021, manual stray voltage testing was performed on approximately one million utility facilities statewide, resulting in the identification of 245 stray voltage conditions; of which 168 (69 percent) were at voltage levels of 4.5V or higher. The overall total of stray voltage findings decreased 16 percent from the 2020 level with the total number of findings above 4.5V decreasing by 20 percent. All utilities were in full compliance with all testing and inspection requirements in 2021.

Gas Safety: Department staff evaluated critical areas of gas safety, including damage prevention, emergency response, leak management, and non-compliances with safety regulations identified through staff's audit process. Overall, the data indicated that performance had substantially improved for local distribution companies (LDC) across the State over the 19-year period staff has been reporting performance. More notably, utility performance either improved or remained consistent throughout the COVID-19 pandemic. Overall, utilities-maintained focus on the performance measures which ensured the same, if not a greater, level of public safety.

The first measure, damage prevention, gauges the success of utilities in minimizing damages to buried natural gas facilities caused by excavation or demolition activities. For utilities and their contractors in 2021, the performance remained consistent from the previous year. The second measure, emergency response, reflects the utilities' ability to respond promptly to reports of leak, odor, and emergency notifications by examining the percentage of reports responded to within three response time intervals. Utility performance for each of the emergency response time intervals improved in 2021.

Customer Service: The majority of the State's utilities have met or exceeded the standards of performance on measures for customer service established within their respective rate case proceedings, with the exceptions of specific metrics for Central Hudson, NYSEG, RG&E and St. Lawrence Gas Corporation (St. Lawrence). Central Hudson and St. Lawrence failed to meet their designated targets for the Customer Satisfaction Survey, resulting in negative revenue adjustments of \$600,000 and \$24,000, respectively. Additionally, NYSEG and RG&E failed to meet their respective estimated bills metric targets,

resulting in negative revenue adjustments of \$750,000 and \$900,000, respectively.

PSC DEMANDS IMPROVEMENTS TO UTILITY BILLING AND CREDITING PROCESSES FOR COMMUNITY DISTRIBUTED GENERATION

The Commission directed utilities to file implementation plans in September 2022 regarding the automation of Community Distributed Generation (CDG) billing and establish a process for the development of CDG billing performance metrics.

Community Distributed Generation expands consumer access to reliable, clean electricity generated from renewable energy facilities. This innovative program creates opportunities for low- and moderate-income families and puts customers who do not own homes on an equal footing with traditional single-home customers by providing increased access to electricity generated from renewable resources and lower monthly bills. Getting the utility billing and crediting processes performing accurately and timely for these programs is of the utmost importance to ensure their success.

The Commission directed each of the State's electric utilities to file an implementation plan regarding the billing of CDG, and it initiated a process to develop future CDG billing metrics. The utility implementation plans, and any proposed metrics, were presented to the Commission for approval.

The benefits of CDG development can only be realized if the billing and crediting of CDG members is performed accurately and in a timely manner. The process initiated in September is necessary to address the

ongoing CDG billing issues originating with the distribution utilities.

On July 17, 2015, the Commission authorized CDG in New York State, to enable customers for whom rooftop solar was not a viable option to directly participate in and enjoy the benefits of renewable energy programs. As part of the CDG program, CDG sponsors can develop an eligible generation project (usually a solar photovoltaic system) connected to a utility distribution network, and enroll customers served by that utility as members. Members then receive credits on their utility bills for the energy the CDG project injects into the utility's distribution system. In return, members pay the CDG sponsor a monthly subscription fee, which may be fixed or variable, but that is generally designed to be some amount less than the value of the credits the customer receives. This process requires that the customer receive two separate monthly bills; one from the utility for delivery service including the bill credits and another from the CDG sponsor for the subscription fee.

On March 29, 2022, Department staff filed a straw proposal on CDG opt-out that provided recommendations related to the utility billing of CDG generally aimed at addressing ongoing CDG billing issues. The recommendations surrounding CDG billing were just one component of the larger straw proposal which focused primarily on the establishment of an optout CDG program in New York. Those broader recommendations were under consideration for review at a future Commission session. The PSC order focused only on the future process necessary to ensure customers participating in a CDG program receive accurate and timely bills from their utility.

Along those lines, the order initiated a process focused on developing CDG billing performance metrics, including a potential

financial penalty tied directly to the utilities' CDG crediting and billing performances. Additionally, the order directed the investor-owned utilities, who have filed tariffs related to CDG, to file implementation plans associated with automated CDG billing. These implementation plans included: (1) the current billing system constraints preventing full CDG billing automation; (2) the billing system changes necessary to effectuate automated CDG billing; and (3) the steps and timeline to achieve full automation of CDG billing.

ASSISTING COMMUNITIES

ELECTRIC AND GAS UTILITY BILL CREDIT PROGRAM FOR LOW-INCOME FAMILIES

Governor Kathy Hochul announced in June 2022 that the vast majority of the \$567 million dedicated to help low-income electric and gas utility customers to pay off past utility bills was reflected in customers' August bills. The financial assistance program included an estimated \$557 million statewide COVID-19 bill credit program for low-income customers adopted by the Public Service Commission (PSC, Commission). Under the bill credit program, the PSC leveraged \$250 million from the Fiscal Year 2023 Enacted State Budget to require utilities to provide a one-time credit to customers enrolled in the Energy Affordability Program (EAP) which eliminated unpaid utility bills that accrued through May 1, 2022. The program also authorized the same relief for any eligible low-income customers that enrolled in EAP by December 31, 2022.

Given the financial challenges many New Yorkers experienced from the pandemic, Governor Hochul stressed the importance of policies to help consumers, and placed equal priority in the effective implementation of those policies. This program is innovative in design, and we are very proud of the staff team for ensuring the assistance was delivered effectively and timely to those who need it.

At the direction of Governor Hochul, the Department of Public Service, the staff arm of the PSC, worked with the State's major utilities to credit the customers' accounts. The COVID-19 pandemic caused significant

financial hardship for New Yorkers, particularly low-income consumers. Since March 2020, the number of customers more than 60 days behind in their electric and gas utility payments (i.e., in arrears) and the total dollar amount of arrears grew to unprecedented levels. Low-income customer credits were posted to customers' accounts beginning August 1, 2022, and customers saw the credit in the next billing cycle. Credits were received by the vast majority of low-income customers of the major electric and gas companies on their August bills.

The COVID-19 pandemic caused significant financial hardship to low-income customers and resulted in the shuttering of businesses and widespread loss of jobs. The number of customers that had unpaid utility bills and the total dollar amount of unpaid utility bills rose considerably since the beginning of the pandemic in March 2020, and this bill credit program provided financial relief to the most vulnerable residential customers to help them avoid having their utility services terminated for non-payment. More than 327,000 low-income New York households directly benefited from the program.

Under the bill credit program, all State assistance available for utility bill assistance was coordinated to ensure maximum benefits to ratepayers and to avoid duplication of efforts. This included relief available to low-income customers from the State Office of Temporary and Disability Assistance's (OTDA) Emergency Rental Assistance Program to reduce unpaid utility bills, estimated at \$100 million, coupled with \$250 million from the New York State budget appropriation directed to utilities to eliminate pandemic-related unpaid utility bills for low-income households. Utility shareholders provided more than \$36 million in contributions to benefit

ratepayers. The bill credit program was estimated to cost the major utility ratepayers \$181 million after they were allocated their share of the budget appropriation, and customer credits and shareholder contributions that reduce the program cost are applied.

This one-time, low-income utility bill credit which was applied to affected customers' bills by the utilities, required no action by existing low-income customers enrolled in the EAP to receive the benefit. PSEG Long Island and the municipal utilities have been allocated \$10.4 million of the \$250 million appropriated in the budget to be used for the bill credit program for low-income customers. The PSC anticipates future proposals by consumer groups and stakeholders to address the substantial increase in unpaid electric and gas utility bills for remaining residential and non-residential customers resulting from the COVID-19 pandemic.

As part of the overall initiative to reduce unpaid electric and gas utility bills, Governor Hochul proposed an arrangement between the Office of Temporary and Disability Assistance (OTDA) and the major utilities to identify more low-income households to enroll in the EAP program, which provided utility bill discounts to save participating households hundreds of dollars per year on utility costs.

Any newly eligible low-income customer that enrolled in EAP before December 31, 2022, was included in the bill credit program.

Governor Hochul has been steadfast in her drive to help consumers. To address this growing problem, the PSC has approved measures to strengthen and improve utility energy affordability.

PSC LAUNCHES UTILITY EMPLOYEE DIVERSITY, EQUITY, AND INCLUSION INITIATIVE

The Public Service Commission (PSC, Commission) initiated a proceeding in June 2022, to examine the diversity, equity, and inclusion (DEI) efforts of the major New York State electric, gas, and water utilities. With this decision, the Commission directed utilities with 100 or more employees in their New York operations to implement DEI plans.

The Commission's decision deemed that a diverse workforce helps businesses become more agile and resilient, and an inclusive workplace improves employee morale, engagement, and retention. Diversity also enhances recruiting and advancement activities. Companies that utilize diverse interview panels combined with diversity and inclusion-training for interviewers can reduce implicit biases and ensure a company hires and promotes the most qualified candidates.

Absent consideration of diversity and inclusion, hiring and recruitment would be stunted by shallower candidate pools, resulting in missed opportunities to improve utility management. Further, a diverse workforce that reflects the utility's service territory helps ensure customer outreach and messaging efforts reached those who need the information most. Utility messaging is critical to the success of programs directed toward low- to moderate-income customers.

In recognition of these benefits, companies often take specific actions to ensure that they recruit and retain a diverse workforce. These actions can include corporate policies, designated diversity officers, training programs, recruitment efforts, community outreach, or similar steps that actively promote diversity and inclusion in hiring, promotion, and contracting efforts. To

promote inclusiveness for employees, many companies further establish non-discrimination policies, offer support services, or take similar actions.

In recent years, New York's utilities have been developing DEI strategies. The Commission initiated this proceeding to enhance utilities' existing efforts and ensure that the utilities have the opportunity to learn from their counterparts and receive stakeholder input.

The Commission believes utility DEI plans should identify corporate strategies and communication training, consultant-led efforts to inform DEI strategies, specific DEI roles added to the organization, as well as employee outreach efforts. Utility DEI plans should identify training efforts to educate employees throughout the organization, including offering formal training programs, periodic employee training sessions, and available employee resources (e.g., online databases and learning portals).

The Commission recognizes the many benefits of a diverse workforce on a utility's operations. Intuitively, a workforce that – like the utility's service territory – includes individuals with differing races, ethnicities, national origins, physical abilities, sexual orientations, and genders helps to ensure that the utility can draw upon a large pool of ideas and experiences to address operational and customer needs.

To aid in the development of the DEI plans, the Department organized a working group for all subject utilities, commenced by the end of 2022. The Department facilitated working group discussions, which allowed each utility to share its draft DEI plan, and for the group to identify best practices. The

utilities are also encouraged to engage in one-on-one discussions to learn more about their peers' strategies. Smaller utilities were encouraged to participate in the working group, as well as the LIPA, New York Power Authority (NYPA), and the New York State Energy Research and Development Authority (NYSERDA). While the requirement to file DEI plans does not apply to LIPA, NYPA, or NYSERDA, the Commission anticipates these organizations continue to progress in these areas and welcomed their participation in the working group.

ROLLOUT OF ELECTRIC AND GAS UTILITY BILL CREDITS FOR LOW-INCOME FAMILIES

Governor Hochul announced in July 2022, that the vast majority of the \$567 million dedicated to help low-income electric and gas utility customers pay off past utility bills was reflected in customers' August bills.

The financial assistance program included an estimated \$557 million statewide COVID-19 bill credit program for low-income customers adopted by the PSC. Under the bill credit program, the PSC leveraged \$250 million from the Fiscal Year 2023 Enacted State Budget to require utilities provide a one-time credit to customers enrolled in the Energy Affordability Program (EAP) that eliminated unpaid utility bills accruing through May 1, 2022. The program also authorized the same relief for any eligible low-income customers that enroll in EAP by December 31, 2022.

At the direction of Governor Hochul, the Department of Public Service, the staff arm of the PSC, worked with the State's major utilities to credit the customers' accounts. The COVID-19 pandemic caused significant financial hardship for New Yorkers, particularly low-income consumers. Since March 2020, the number of customers more

than 60 days behind in their electric and gas utility payments (i.e., in arrears) and the total dollar amount of arrears grew to unprecedented levels. Low-income customer credits were posted to customer accounts beginning August 1, 2022, and consumers saw the credit on their next billing cycle. Credits were received by the vast majority of low-income customers of the major electric and gas companies on their August bills.

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As part of the overall work to reduce unpaid electric and gas utility bills, Governor Hochul launched an initiative between OTDA and the major utilities to identify additional low-income households for enrollment in the EAP program, which provided utility bill discounts that would save participating households hundreds of dollars per year on utility costs.

Any newly eligible low-income customer that enrolled in EAP before December 31, 2022, was included in the bill credit program.

Governor Hochul is steadfast in her drive to help consumers. To address this growing problem, the PSC has approved measures to strengthen and improve utility energy affordability programs to reduce consumer energy burden and address low-income customer needs.

PREPARING NEW YORKERS FOR RISING GLOBAL WINTER ENERGY COSTS

The Commission confirmed in October 2022 that the State’s utilities had adequate supplies of natural gas and electricity on hand to meet the demands of residential and commercial customers in New York State. Meanwhile, the global commodity costs of natural gas, heating oil, and propane continued to rise, resulting in utility and heating cost increases, along with additional increases in oil, gas, and electricity prices.

Customer Outreach. The Department has a proactive program in place to help customers receive the information and assistance they need. The outreach and education efforts included publications in multiple languages about billing and payment options, financial assistance programs, and winter preparedness measures to help with winter bills, and the steps needed if customers are faced with heating-related energy emergencies.

Electric and Natural Gas Price Forecast.

The winter’s electricity and gas bills were expected to be higher than the previous year’s due to higher electric and gas commodity prices.

On average, a residential electric customer using 600 kWh per month might pay about \$75 per month for supply the winter, up 42 percent from the same period a year ago, but the actual amount varies by utility.

Meanwhile, the average residential customer using 732 therms of natural gas might pay an estimated \$240 per month during the winter heating season (November through March), up 29 percent from the same period a year ago, but the actual amount could vary widely by region due to the weather. A colder-than-normal winter could cause usage and bills to increase.

The State’s investor-owned utilities took steps to reduce the volatility of electric and gas supply prices to their full-service residential customers.

Between financial hedges and gas held in storage, gas utilities hedged approximately 53 percent of estimated statewide customer needs. However, customers could not completely shield from global market price volatility.

Winter Heating Preparedness.

Department staff tracked weather impacts, pipeline and storage assets, interruptible customer compliance, and also worked with the local distribution companies (LDCs) and communities to find innovative solutions that increased environmental benefits while meeting customer expectations for their energy demands.

This included the aggressive pursuit of efficiency measures, demand response, and other solutions to meet growing space and water heating needs. The LDCs serving New York State finalized contracting for adequate natural gas supply, delivery capacity, and storage inventory to satisfy firm customer demands under peak winter conditions.

The Department also closely monitored areas of the State where demand is growing at a faster pace. The ongoing gas planning proceeding modernized the long-term planning process used by the gas utilities and required them to file long term plans that included energy efficiency, demand response programs, and other programs to reduce greenhouse gas emissions from the State’s natural gas system and implement uniform moratoria procedures.

The planning processes also allowed for extensive stakeholder input. Department staff coordinated with oil industry representatives and NYSERDA to ensure

that customers had access to adequate supplies of winter heating fuels.

In keeping with the Commission's reliability requirements, natural gas companies audited systems, processes, and procedures, as well as scheduled tests to ensure that interruptible customers comply with the Commission's alternate fuel requirements.

Global commodity prices are likely to stay inflated and rise during the winter heating season. It is therefore essential that utilities continue to have ongoing, robust communication with customers to help them access available assistance programs and be able to manage their energy costs. In preparation for the winter, utilities must also work with their interruptible customers, who by system design help to meet reliability needs during any periods of extreme cold weather by using alternate fuels.

Electric System Preparedness. Sufficient capability met electric demand for the winter. As part of the winter assessment, the major electric generating facility owners in Southeast New York that hold about 12,000 megawatts (MW) of dual fuel generation capability were contacted. Department staff found that these owners continued to implement lessons learned from the Polar Vortex winter of 2013-2014, including increased pre-winter on-site fuel reserves, firm contracts with fuel oil suppliers, more aggressive replenishment plans, and more proactive pre-winter maintenance and facilities preparations.

Home Heating Assistance. New State's actions were announced on September 22, 2022, to prepare New Yorkers for rising global energy costs and supply issues expected that winter.

At Governor Hochul's direction, Commission Chair Rory Christian sent letters to Chief Executive Officers of New York State's largest utility companies, urging the implementation of measures to mitigate the anticipated extreme commodity price increases over the winter and enhanced customer communications.

The Governor also directed State agencies to convene fuel providers across the State to ensure adequate heating fuels were available for the winter.

New Yorkers took advantage of cost-efficient programs in anticipation of the winter to adopt energy efficiency and electrification solutions for homes and businesses.

As energy prices rose during the winter months, New Yorkers took the following steps to protect against higher energy costs:

- **Applied for HEAP.** Beginning November 1, applications were accepted for the Home Energy Assistance Program (HEAP) which provided up to \$976 to eligible homeowners and renters depending on income, household size, and the method used to heat their home. To qualify for heating assistance from HEAP, a family of four needed to have a maximum gross monthly income of \$5,485, or an annual gross income of \$65,829.
- **Took immediate action to be more energy efficient.** NYSERDA offered energy saving tips for residents and homeowners, as well as businesses, that could lower energy usage. NYSERDA also offered a range of home energy efficiency programs that could save energy and reduce costs over time. Income-eligible customers qualified for reduced cost or free energy upgrades to their homes

through EmPower New York and Assisted Home Performance with ENERGY STAR® programs. Homeowners could also check with their local gas and electric utility companies to access discounted products and services that might help them lower their energy costs all year long.

- **Received a customized list of energy-related assistance in the State.** New York Energy Advisor helped income-eligible New Yorkers locate programs to spend less on energy and create healthier and more comfortable spaces. With the New York Energy Advisor, consumers answered simple questions and were connected with energy-saving offers in New York State. Sponsored by NYSERDA and the utilities, qualified New Yorkers received help with paying utility bills, special offers on heating assistance, and more.
- **Signed up for Community Solar.** Community Solar allows New Yorkers, including renters, coop and condo owners, and businesses to save money every month on their electric bills. Consumers could subscribe to a Community Solar project, where available, and receive credits on electric bills for the clean energy produced by a solar farm.
- **Received a free energy audit.** Homeowners across New York were eligible for free home energy assessments through NYSERDA's Residential Energy Audit Program. Home energy assessments were available for both in-person and by using remote technologies. Trained and qualified contractors provided energy assessment services and helped homeowners decide which

energy improvements were worth the investment, installed the improvements, and assisted in connecting homeowners with NYSERDA's low-interest financing programs.

- **Reduced business or building's energy costs.** Community energy advisors across New York State helped residents, businesses, and multifamily building owners reduce their energy use and costs.
- **Joined a Clean Heating and Cooling Campaign.** Participating in a campaign eases the process of replacing a community member's current heating or cooling system with clean heating or cooling technology by connecting members with pre-qualified contractors and outlining potential incentives, tax breaks, financing, and payment options.

Experienced contractors provided home or business owners with a holistic assessment to determine if the residential or business space would also benefit from weatherproofing upgrades that could further increase comfort and reduce energy bills.
- **Knowing your rights and protections.** The New York State Home Energy Fair Practices Act provides comprehensive protections for residential customers concerning utility services. These rights include the option to pay bills in installments, a cap on late fees, sufficient notice prior to shut-off of services, and protections for those on a fixed income or with medical conditions.
- **Considered bill payment options.** Consumers contacted their utility

provider to inquire about billing options that allowed for deferred payments or ‘budget billing’ options that balance out bills that are higher in one season and lower in another. This option structures payments and makes it easier to navigate costs.

We continued to closely monitor the utilities serving New York State to make sure they have adequate sources and supplies of electricity and natural gas to meet expected customer demands this winter. The utilities have hedged approximately 70 percent of their estimated statewide full service electric residential energy needs to mitigate the electric market price swings that could occur this winter.

- **Better understanding of building energy management.** The ‘Put Energy to Work’ program provided a deeper understanding of tools and assistance for businesses that aided energy management for commercial and industrial buildings and included resources that could increase profitability, create a competitive advantage, and achieve greater resiliency.

PSC ANNOUNCED NEW REGULATIONS REGARDING USE OF NAMES AND PRONOUNS

The Commission approved a new Home Energy Fair Practices Act (HEFPA) regulation that required all utilities operating in New York State to establish procedures for applicants and customers to use their preferred names and pronouns in December 2022.

The regulation was required by amendments to the Public Service Law (PSL) and General Business Law and ensured that utility corporations, municipally owned utilities, waterworks corporations, and telephone service companies provide residential customers, and applicants for residential service, with an option to request the use of a preferred name and/or preferred pronouns in all written or oral communications.

The State’s major electric and gas utilities agreed the statutory changes better aligned utility regulations with current societal practices. Utilities must use a customer’s legal name as required by law. Utilities, and municipalities with utilities, established a written procedure to allow applicants and customers to request the use of their preferred name and/or preferred pronouns.

Nearly 80,000 New Yorkers identify as transgender. Gender pronouns might be he/him, she/her, or gender-neutral pronouns people choose to refer to their gender identity. Using the proper pronouns demonstrates respect and knowledge of value and inclusion when affirming one’s gender identity.

These regulations continue our advancement for a more diverse, equitable, and inclusive society. Acknowledging a person’s gender identity is an essential step along that path.

The regulation provides that any documentation provided to a utility, or municipally owned utility, was to be used only to verify the identity of the individual. However, a utility or municipalities corporation, and municipalities that provide utility service, may require ‘reasonable proof of identity using their legal name’ for

purposes consistent with the allowance of the use of a preferred name and/or pronouns.

Further, the Commission's regulation provided enforcement provisions in the case where a utility, or municipality that provides utility service, willfully and repeatedly fails to use an applicant or customer's preferred name and/or preferred pronoun.

TRANSFORMATIVE INVESTMENTS IN ENERGY AFFORDABILITY, BUILDING EFFICIENCY, AND CLEAN AIR AND WATER

New investments in energy affordability, clean and efficient buildings, clean air, and clean water, were included in the 2023 State of the State Address.

The proposal created the Energy Affordability Guarantee to ensure participating New Yorkers would never pay more than six percent of their income for electricity. Governor Hochul also announced \$200 million in relief for utility bills for up to 800,000 New York households earning under \$75,000 a year that are not currently eligible for the State's current utility discount program.

An ambitious package of building decarbonization initiatives included zero-emission new construction and the phase out of the sale of new fossil fuel heating equipment. It also included \$500 million in clean water funding, coupled with the creation of Community Assistance Teams to help disadvantaged communities access financial assistance.

Addressed Energy Affordability. In addition to advancing an economywide Cap-and-Invest-Program that supports universal rebates to consumers, Governor Hochul proposed a series of policies to insulate the most vulnerable households from rising energy prices while advancing the transition to lower emissions.

Actions included:

- Providing \$200 million in relief for high electric bills. New York State provided a credit to approximately 800,000 households that earned under \$75,000 to help pay burdensome electric bills.
- Pairing affordability support with modernizing low-income homes through the EmPower Plus Pilot. EmPower Plus helped 20,000 low-income families improve their homes by adding insulation, upgrading to energy efficient appliances, and by switching from polluting fossil fuel heating to clean, efficient electric alternatives.

Homes that qualified through the EmPower Plus program were also eligible for the Energy Affordability Guarantee when they fully electrified. This pilot program ensured participating families never pay more than six percent of their income on electricity.

The current EmPower program served more than 14,000 homes in 2022 and EmPower Plus is expected to reach over 20,000 households within the next year through a combination of weatherization and electrification measures, drastically cutting energy use as well as delivering more than 17,000 metric tons of averted emissions – in part due to an infusion of \$200 million in new State support.

- Directing the Low-Income Energy Task Force, composed of State agencies that administer energy affordability programs, to undertake immediate efforts to improve the alignment of existing programs and streamline administrative processes to

increase access to these services and the impact of public dollars.

For the second year in a row, Governor Hochul provided unprecedented financial relief to utility ratepayers. The Department is ready and eager to implement her vision for expanded utility discounts and to learn from piloting a first-in-the-nation Energy Affordability Guarantee for participating low-income households. As we continue to emerge from the COVID-19 economic disruption and as global commodity price volatility adds to New Yorkers' household energy burden, the Governor's new and innovative energy affordability initiatives are coming at exactly the right time.

Invested in Clean Air and Reducing Emissions. To improve air quality and reduce emissions from various sectors, Governor Hochul:

- Called for zero-emission new construction, with no on-site fossil fuel combustion by 2025 for smaller buildings, and by 2028 for larger buildings.
- Proposed New York prohibit the sale of any new fossil fuel heating equipment by 2030 for smaller buildings and 2035 for larger buildings, along with related fossil fuel systems for all buildings.
- Advanced a system to assign letter grades to larger buildings statewide based on their energy usage to help building managers make informed choices to cut electricity bills and emissions.

- Built on New York's investments in transportation electrification by directing the Department to identify and remove the barriers to deploying charging infrastructure for medium- and heavy-duty vehicles efficiently and timely.
- Directed the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) to source all facilities' electricity from renewable energy sources by 2030 by generating its own electricity and prioritizing other green resources such as community solar or purchasing renewable energy from other local facilities.
- Created an Office of Just Transition to centralize and direct State planning for a just transition; New York was the first to advance a structure dedicated to the achievement of an economywide just transition for affected workers and communities that looks beyond the transition from coal and addresses the shift away from other fossil fuels.

Invested in Clean Water. New York State invested \$500 million in clean water funding to support water quality and infrastructure projects and protect public health. To leverage these investments and ensure ongoing coordination with local governments, Governor Hochul developed Community Assistance Teams, which provided proactive outreach to small, rural, and disadvantaged communities and help them access financial assistance to address their clean water infrastructure needs.

Building on the State's previous actions to combat emerging contaminants like per- and polyfluoroalkyl substances (PFAS), established a program offering financial assistance to municipalities to investigate sources of contamination and remediate

contaminated sites over the next five years. The new program provided the resources New York communities needed to remove these chemicals from our environment and protect clean water.

Proposed the Waste Reduction and Recycling Infrastructure Act. Solid waste is the fourth-largest contributor to climate-altering greenhouse gases. To protect communities and alleviate the burden on municipalities and taxpayers, the Waste Reduction and Recycling Infrastructure Act shifted the responsibility of recycling to the producer and away from the taxpayers.

New York State developed a new, more efficient waste reduction strategy that increased recycling rates, saved local governments money, created jobs, and protected the environment. The program required that New York meet material specific recycling rates, created binding post-consumer recycled content rates, and helped ensure recycling is convenient for consumers.

ELECTRIC GENERATION SITING

SITING BOARD APPROVES \$345 MILLION GENESEE COUNTY SOLAR FARM

The New York State Board on Electric Generation Siting and the Environment (Siting Board) granted approval to Excelsior Energy Center, LLC (Excelsior) to build and operate a 280-megawatt (MW) solar farm with 20 MWs of battery storage in the Town of Byron (Genesee County) in April 2022. The Siting Board's decision followed a detailed review and robust public participation process to ensure that the solar farm met or exceeded all siting requirements.

The Genesee County Economic Development Center estimated the cost of the project at \$345 million, and said it would create new jobs, provide long-term revenue and economic development to Genesee County and the Town of Byron. According to estimates, the project will provide \$117.5 million economic impact, which includes PILOT payments, host benefit payments, fire district payments, elimination of agricultural exemptions on acreage used for solar panels, direct construction payroll, other direct construction related purchases, and payroll and purchases during operations.

Excelsior is expected to provide \$37.4 million in new revenue to the county, town, and school district in property tax-type benefits to invest in infrastructure, additional services, and resources for residents.

The project will create 290 jobs during construction, three to four full-time positions, and opportunities for landscaping and snow plowing throughout the life of the project. There were opportunities for local businesses to supply materials to support the construction of the project, and service-industry businesses such as hotels,

restaurants and entertainment venues that will benefit from an increase in worker activity throughout construction.

The project invested approximately \$40.8 million in construction labor, creating employment opportunities for those in the construction trades, including equipment operators, truck drivers, laborers, and electricians.

According to the developer, operation of the facility will result in a reduction of approximately 205,432 tons of CO₂ from the New York State power sector in 2023.

The Excelsior solar farm and other renewable energy projects built or currently under development are vital to meet the Climate Leadership and Community Protection Act's aggressive carbon reduction and clean energy targets to combat climate change. This solar farm benefits all New Yorkers by reducing our reliance on fossil fuels, boosting clean-energy investment, creating clean-energy jobs, and improving our environment.

The project area is about 3,443 vacant acres, with a footprint of 1,716 acres. The solar farm is expected to begin commercial operation in late 2022. Through land agreements, as per the project developer, the project will support the agricultural economy by infusing revenue into family farms and diversify their income. The developer stated it will support local farms that employ 70 people in the Town of Byron.

According to industry estimates, the 280-MW solar farm will produce enough

electricity for 74,000 average-sized homes annually.

Excelsior is a subsidiary of NextEra Energy Resources, LLC, one of the world's largest generators of wind and solar energy, with generating facilities across the U.S. and in Canada.

After reviewing the agreed-upon certificate conditions submitted by the settlement parties, the Siting Board determined that the solar farm was consistent with the energy policies and long-range planning objectives and strategies contained in the most recent State Energy Plan. Based on this, and based on its consideration of other relevant social, economic, and other factors, the Siting Board determined that the project was a beneficial addition to the electric generation capacity of the State and served the goals of improving fuel diversity, grid reliability, and modernization of grid infrastructure.

Excelsior's formal application to the Siting Board was deemed compliant on April 8, 2021.

The 10 parties to the proceeding included several State agencies, the local municipality, labor, and community groups. The record includes more than 100 public comments and statements. The Siting Board held on-the-record virtual public statement hearings and compiled an evidentiary record containing expert and factual testimony.

Excelsior, the seventeenth renewable energy project approved by the Siting Board since 2018, is the largest solar farm approved to date by the Siting Board.

The project consists of commercial-scale solar arrays, access roads, buried and possibly overhead electric collection lines, a collection substation, and electrical interconnection facilities. Additional facilities would include a 345-kV switchyard which will be transferred to New York Power Authority (NYPA) to own,

maintain, and operate. The project would be located on land leased from the owners of private property. The height of the solar array itself is approximately 13 feet. The project includes a 20 MW energy storage system which is charged exclusively off the solar array.

According to the developer, other significant project benefits include the direct and indirect creation of jobs in construction and construction-related services, related supply chain jobs, jobs associated with induced impacts, and annual revenues for local economies during construction.

SITING BOARD DENIES SOLAR FARM APPLICATION

The Siting Board denied approval to North Side Energy Center, LLC (North Side) to build and operate a 180-megawatt (MS) solar farm in the Towns of Brasher, Massena, and Norfolk (St. Lawrence County). The Siting Board's August 2022 decision followed a detailed review of the environmental impact the project would have on the siting area.

Considering the number of renewable energy projects under development, the denial of North Side's application did not impact New York's unprecedented drive to build renewable energy projects in the State. On June 2, 2022, for example, Governor Hochul announced that the New York State Energy Research and Development Authority (NYSERDA) awarded 22 large-scale solar and energy storage projects that delivered enough clean, affordable energy to power more than 620,000 New York average-sized homes for at least 20 years.

As the State's largest land-based renewable energy procurements, the projects announced in June 2022 spurred over \$2.7 billion in private investment and create over 3,000 short- and long-term jobs across the State.

The awards accelerated progress to exceed New York's goal to obtain 70 percent of the State's electricity from renewable sources by 2030 on the path to a zero-emission grid by 2040 as required by the Climate Leadership and Community Protection Act. The renewable energy project awards announced by Governor Hochul strengthened the State's pipeline of renewables to power over 66 percent of New York's electricity from renewable sources.

The proposed North Side project area consisted of approximately 2,235 acres of leased land. The project was to be sited in rural areas in each of the three towns, which are comprised of agricultural and forested land and included 37 wetland areas and 11 regulated streams. The wetlands total 1,504 acres, or 67 percent (more than two-thirds) of the project area. The proposed project components would be located on approximately 1,200 to 1,400 acres of the 2,235 acres making up the project area and were estimated to impact more than 500 acres of wetlands. In addition, seven threatened or endangered species were documented in the project area.

The Siting Board has approved 18 renewable energy projects since 2018. North Side is the first renewable energy project rejected by the Siting Board. Additionally, the recently created New York State Office of Renewable Energy Siting (ORES) has approved five renewable energy projects. North Side was expected to begin commercial operation in the fourth quarter of 2023.

After a thorough and complete review of the project and its impacts, the Siting Board denied the application due to the adverse environmental impacts associated with construction and operation of the project, specifically impacts to wetlands, and threatened and endangered species, have not been minimized or avoided to the maximum extent practicable, as required by law. In

addition, the project developer was unable to demonstrate it would comply with applicable State environmental laws related to wetlands and threatened and endangered species.

Significant efforts by State agency parties were made throughout the review process to have the developer change the project to reduce the impacts on wetlands and endangered species, including reducing the size of the project. The developer could seek a rehearing and appeal the Siting Board's decision or file a new application.

The presence of several threatened and endangered species, as well as species of special concern in the project area, is not disputed by North Side. The species observed on the site include:

- Endangered: Short-Eared owls and Golden Eagles
- Threatened: Blanding's Turtles, Northern Harriers, Sedge Wrens, Upland Sandpipers, and Bald Eagles
- Species of Special Concern: Vesper Sparrows, Grasshopper Sparrows

North Side's formal application to the Siting Board was deemed compliant July 9, 2021. The 24 parties to the proceeding included several State agencies, the three local municipalities, St. Lawrence County, and labor groups. The Siting Board held on-the-record virtual public statement hearings and compiled an extensive evidentiary record containing expert and factual testimony.

While New York strongly supports and encourages the construction of appropriately sited renewable energy projects, North Side's application failed to adequately address the significant adverse impacts to freshwater wetlands on the site, putting it in conflict with existing Siting Board and DEC precedents. We continue to focus our energies and resources in developing environmentally compatible and acceptable projects.

SITING BOARD APPROVES CAYUGA COUNTY SOLAR FARM

The Siting Board granted approval to Garnet Energy Center, LLC (Garnet) in October 2022 to build and operate a 200-megawatt (MW) solar farm in the Town of Conquest (Cayuga County), with 20 MWs of battery storage capacity, one of the largest projects approved. The decision followed a detailed review and robust public participation process to ensure that the solar farm met or exceeded all siting requirements.

The project will create new jobs, provide long-term revenue, and economic development to Cayuga County and the Town of Conquest. According to the estimates provided from Garnet, the project provides a positive economic impact, including more than 225 jobs during construction and three to four full-time positions during facility operations. As determined by the developer, the largest expenditure during the construction phase of the project is the \$25.6 million spent on local employment.

In addition, there are opportunities for local businesses to supply materials to support the construction of the project, and service-industry businesses such as hotels, restaurants, and entertainment venues will benefit from an increase in worker activity throughout construction.

The project will create employment opportunities for those in the construction trades including equipment operators, truck drivers, laborers, and electricians.

In 2023, the operation of the facility will eliminate approximately 72,000 tons of CO₂ from the New York State power sector — the equivalent of taking 15,000 cars off the road. The facility will also reduce SO_x and NO_x. The project is estimated to cost approximately \$215 million, according to industry reports.

The project area covers about 2,289 vacant acres, and the project footprint is about 900 acres. The solar farm is expected to begin commercial operation in 2023. Through land agreements, the project developer stated that the project supports the agricultural economy by infusing revenue into family farms and diversifying their income.

According to industry estimates, a 200-MW solar farm will produce enough electricity for more than 32,000 average-sized homes annually.

Garnet is a subsidiary of NextEra Energy Resources, LLC, one of the world's largest generators of wind and solar energy, with generating facilities across the U.S. and in Canada.

After reviewing and modifying some of the agreed-upon certificate conditions submitted by the settlement parties, the Siting Board determined that the solar farm was consistent with energy policies and long-range planning objectives and strategies contained in the most recent State Energy Plan. Based on this and other factors, the Siting Board determined that the project was a beneficial addition to the electric generation capacity of the State, and also serves the goals of improving fuel diversity, grid reliability, and modernization of grid infrastructure.

Garnet's formal application to the Siting Board was deemed compliant November 1, 2021. The 11 parties to the proceeding included several State agencies, the local municipality, and labor and community groups.

The record includes more than 50 public comments and statements. The Siting Board held on-the-record virtual public statement hearings and compiled an evidentiary record containing expert and factual testimony. Garnet is the eighteenth renewable energy

project approved by the Siting Board since 2018.

The project consists of commercial-scale solar arrays, access roads, buried electric collection lines, a collection substation, and electrical interconnection facilities.

The Garnet Energy solar farm and other renewable energy projects built or currently under development are vital to meet the Climate Leadership and Community Protection Act's aggressive carbon reduction and clean energy targets to combat climate change. This solar farm benefits all New Yorkers by reducing our reliance on fossil fuels, boosting clean-energy investment, creating clean-energy jobs, and improving our environment.

Additional facilities would include a 345-kV switchyard to be transferred to New York Power Authority (NYPA) to own, maintain, and operate. The project is located on land leased from owners of private property. The project includes a 20 MW energy storage system which is charged exclusively off the solar array.

Although there was no agreement in place with the local government, Garnet estimated that annual payments in lieu of taxes were \$2.67 million in 2023 and \$1.3 million in 2024. Total payments over a 20-year period are estimated to be \$33 million, according to the developer.

The Cato-Meridian Central School District is expected to receive the largest payments, with a 20-year total of \$13 million in PILOT payments.

Cayuga County is expected to receive a total of \$9.2 million in PILOT payment, with the Town of Conquest receiving \$6.2 million in

PILOT and other payments over the 20-year period.

The Port Byron Central School District and the Weedsport Central School District are projected to receive \$2.1 million and \$2.4 million, respectively, over the 20-year period.

TELECOMMUNICATIONS

PSC APPROVES NEW AREA CODE IN 845 REGION

The Commission announced in April 2022 an additional area code overlay had been authorized for all or portions of Columbia, Delaware, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester Counties in response to the North American Numbering Plan Administrator's (NANPA) forecast of a shortage of telephone numbers in the 845-area code. The new area code would be activated before the third quarter of 2023.

In accordance with standard telephone industry guidelines, NANPA's projection forecasted the current 845 area code exhausted available numbers in the third quarter of 2023.

Per the petition, all existing wireline and wireless telephone customers in the overlay area would retain their current 845 area code and telephone numbers. The new area code would cover requests for new phone numbers.

The proposed new area code was implemented in March 2023, six months prior to the projected third quarter of 2023 exhaust date. The implementation of a new overlay area code normally requires concurrent implementation of mandatory 10-digit dialing (the three-digit area code and seven-digit telephone number are required to complete a call) for all calls, whether local or long-distance.

However, by the time the proposed 845 overlay area code became effective, customers in the 845-area code had already transitioned to mandatory 10-digit dialing due to the national implementation of the '988' three-digit hotline to reach the National Suicide Prevention Lifeline which was scheduled to be completed by July 16,

2022. Therefore, certain customer education and industry technical milestones were not needed in this case, and the timeline to implement the proposed area code was shorter than in past overlay code cases.

An overlay is the appropriate means of providing numbering relief for the 845 Number Planning Area (NPA), given the prior successful overlays that have been implemented in New York over the past two decades. The overlay has a projected life of approximately 28 years.

With the Commission's decision, all existing 845 area wireline and wireless telephone customers in the overlay area retained their 845-area code and telephone numbers, i.e., the new area code would cover requests for new phone numbers once the 845 NPA is fully exhausted.

The overlay resulted in long-term relief, with the least expense disruption and confusion to consumers. On implementation of the overlay code, 10-digit dialing is required for all local calls within and between the 845 NPA and the new NPA. In this instance the new area code did not affect the number of digits dialed by customers in the 845 NPA, as 845 customers had already transitioned to 10-digit dialing.

TRS AND CTS PROVIDERS SELECTED

The Commission designated T-Mobile USA, Inc. (T-Mobile) and Hamilton Relay, Inc. (Hamilton Relay) as providers of telecommunication relay service (TRS) and captioned telephone services (CTS) in New York State beginning July 1, 2022.

TRS provides intrastate telephone communications between deaf, hard of hearing, speech-impaired individuals, and non-impaired individuals. Using TRS, any

end-user in New York can obtain the assistance of a relay operator, at no charge to the end-user, to facilitate a telephone conversation between a voice telephone caller and a caller who uses a text telephone (TTY) or a personal computer in lieu of a telephone. The relay operator types the words spoken by a voice caller and transmits them to the TTY user, and in turn, relays by voice the words typed by the TTY caller to the voice caller.

CTS, also free to the end-user, allows users to receive word for-word captions of their telephone conversation on a special telephone that has a built-in screen to display in text (captions) everything the other person on the call says. The CTS user, on one line, can speak to the called party and simultaneously listen to the other party and read captions of what the other party says. A specially trained communication assistant re-voices the information conveyed by the non-CTS user and automated speech recognition technology automatically transcribes the communication assistant's voice into captions displayed on the captioned telephone.

Our decision to designate T-Mobile and Hamilton Relay to provide communication options for individuals that are hard of hearing or deaf and speech-impaired is an important one. Telecommunication must be accessible and reliable for all New Yorkers, especially those with disabilities. Our decision ensures continuity of these important services to these consumers.

In anticipation of the June 30, 2022, expiration of the TRS and CTS contracts, the Commission considered a petition requesting that the Commission award the next contract for TRS to T-Mobile and the contract for CTS to Hamilton Relay.

The contracts commenced on July 1, 2022, for an initial four-year period with possible term extensions of three years and two years, ultimately ending June 30, 2031. Designating T-Mobile and Hamilton Relay to provide TRS and CTS, assured continuity of these important services to the State's deaf, hard of hearing, and speech-impaired consumers.

These services are funded by all regulated telecommunication providers operating in the State of New York, based upon net revenues.

NEW 329 AREA CODE FOR COLUMBIA, DELAWARE, DUTCHESS, GREENE, ORANGE, PUTNAM, ROCKLAND, SULLIVAN, ULSTER, AND WESTCHESTER COUNTIES

The Commission announced in April 2022 that residential, business, and wireless customers within the existing 845-area code region (Columbia, Delaware, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester Counties) should prepare for the introduction of the new 329 area code before the third quarter of 2023.

To meet the increasing demand for residential and business phone numbers, on April 14, 2022, the Commission approved a new area code to be added to the current 845 area code that serves all or parts of Columbia, Delaware, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties.

Beginning the third quarter of 2023, customers in the existing 845-area code requesting new service, an additional line, or a move in the location of their service, may be assigned a number in the new 329 area code.

Existing customers in the 845-area code are not affected by the new overlay area code.

An overlay area code is the most effective possible use of numbering resources in the 845-area code region and results in long-term relief, with the least expense, and the least amount of disruption and frustration to consumers as possible.

Customers retained their current telephone numbers, and 10-digit dialing for local calls continued. The overlay area code will be assigned to newly issued telephone numbers in the region once all existing 845 telephone numbers are exhausted, and will be applied to all telephone numbers, regardless of service type. Customers retain their current telephone numbers, and 10-digit dialing for local calls continues. The new area code is projected to provide telephone numbering relief for approximately 28 years.

Important facts about the 845-area code overlay for consumers and businesses include:

- Current telephone numbers, including current area code, were not changed.
- The price of a call, coverage area, or other rates and services did not change due to the overlay.
- A local call continues to remain a local call.
- Calls between the 329 and 845-area codes are considered local calls.
- Consumers continue to use 10-digit dialing, i.e., the area code + telephone number for all calls to other area codes.
- Calls to reach 911 Emergency Service will remain three digits.

Customers needed to ensure that all services, automatic dialing equipment, applications, software, or other types of equipment recognized the new 329-area code as a valid area code. Some examples of such are life safety systems, fax machines, Internet dial-

up numbers, alarm and security systems, gates, speed dialers, mobile phone contact lists, call forwarding settings, voicemail services, and similar functions. Business stationery, advertising materials, personal checks, and personal or pet ID tags should include the area code.

PSC RELEASES STATEWIDE ADDRESS-LEVEL BROADBAND MAP

The Commission released a first-of-its-kind, interactive broadband map that provided the most detailed depiction of broadband infrastructure in New York in June 2023. The map, along with an accompanying report, was the result of months of field assessments conducted by the Commission in the State's most remote areas, covering more than 80,000 miles. In order to collect accurate data, the Commission collaborated with 60 internet service providers and surveyed tens of thousands of New York consumers.

Prior to the map's creation, New York relied in part on federal data that only required broadband providers to deliver service to one address in a census block to designate the entire area as served. By collecting address-level data, New York is able to depict what locations are served, underserved, and unserved in a more granular way, which aids in allocating State and federal funding.

Governor Hochul is aware that high-speed internet is the great equalizer in today's world because it is essential in accessing basic services and information that we all need in our daily lives. With this groundbreaking study, we will work to ensure that every part of the state has high-speed broadband available.

The interactive map allows users to explore the State's broadband availability. Users can search by an address to see what providers are available, what technology those providers are using, and what speeds and pricing packages they offer. Users are also able to search at county, municipal, and school district levels to obtain data on percentages of served, underserved, or unserved populations at each level.

Department staff refined this data through the end of the year. To help support the refinement phase, users provided feedback on the map to report inaccuracies and/or provide general feedback for how the Commission can improve the map in future iterations. Additionally, users were urged to contact providers directly to verify service information. The map will be published annually.

MORE THAN ONE MILLION HOUSEHOLDS ENROLLED IN FEDERAL AFFORDABLE CONNECTIVITY PROGRAM

One million qualifying New York households had enrolled by October 2022, in the federal Affordable Connectivity Program (ACP), a nationwide subsidy to expand broadband access to low-income households. Earlier that year, Governor Hochul launched a multi-agency outreach initiative to build awareness of the program and encourage eligible households to enroll. The federal program provides discounts of up to \$30 a month toward internet service for eligible low-income households.

With this milestone, New York became one of the leading states in the nation for ACP enrollment with 30 percent of eligible households taking advantage of the federal benefit. Eligible New York households collect more than \$360 million in annual subsidies.

As part of our advocacy to bring broadband to all households in New York, we are making a significant investment in narrowing the digital divide amongst our citizens that has long persisted.

The multi-agency, multi-pronged outreach effort led by the Department and Empire State Development increased the number of eligible enrollees daily. DPS and its partner agencies have coordinated with community groups, working groups, and State associations, with the Governor's ConnectALL initiative to increase enrollment among eligible New Yorkers.

The broadband outreach initiative and their efforts include:

- The Office of Temporary and Disability Assistance (OTDA) directed social services agencies to share outreach materials with clients and contracted service providers and published outreach on its social media sites.
- The Office of Children and Family Services (OCFS) included ACP in newsletters, and it promoted the broadband subsidy through social media and local departments of social services, childcare providers and licensors, foster care and voluntary agencies, community multi-services offices, the statewide partnership for households of juvenile-justice-involved youth, runaway and homeless youth shelter operators and domestic violence shelter operators.
- The Department of Motor Vehicles (DMV) ran a social media advertising campaign, broadcasted a public service video on monitors in State-operated DMV offices in New York

City, Long Island, and Albany, Westchester, Rockland, and Onondaga Counties, as well as mailed approximately five million informational inserts throughout the year when customers receive their driver license.

- Office for the Aging (OFA) partnered with DPS to provide materials to 59 county offices for OFA’s meetings, picnics, health fairs, senior centers, social adult day sites and naturally occurring retirement communities. They also distributed a training recording to more than 1,200 community-based organizations and created and released a public service announcement, e-newsletter, and social media.
- Digital Equity Working Group (DEWG), a working group led by New York State Education Department’s State Library, promoted projects to increase digital inclusion at the State and local level.
- Empire State Development shared information on the ACP through the Regional Economic Development Councils, the New York State Association of Counties, the Association of Towns, local Digital Equity Coalitions, and ConnectALL’s roster of internet service providers.

Broadband costs New Yorkers more than \$60 a month on average. A report from the Department showed that counties with lower household incomes tend to face the highest prices for service and have the fewest options. In addition to the \$30 a month assistance, financially eligible households could also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if the consumer contributed more

than \$10 and less than \$50 toward the purchase price.

PSC APPROVED NEW AREA CODE IN 716 REGION

Also in October 2022, the Commission authorized an additional area code overlay for all or portions of Allegany, Cattaraugus, Chautauqua, Erie, and Niagara Counties, including the larger cities of Buffalo, Jamestown, Cheektowaga, Tonawanda, and Niagara Falls in response to the North American Numbering Plan Administrator’s (NANPA) forecast of a shortage of telephone numbers in the 716-area code.

All new area codes created in the United States, and New York State, over the past several years have been implemented via an overlay. Demand for new phone numbers is driven largely by economic growth and the phenomenal surge of new technology that requires an individual phone number, such as cell phones and tablets.

The new area code was expected to be activated before the second quarter of 2024. In accordance with standard telephone industry guidelines, NANPA’s projection forecasted the current 716 area code will exhaust available numbers in the second quarter of 2024.

The new area code was implemented six months prior to the projected second quarter of the 2024 exhaust date. The implementation of a new overlay area code normally requires concurrent implementation of mandatory 10-digit dialing (the three-digit area code and seven-digit telephone number are required to complete a call) for all calls, whether local or long distance).

However, by the time the proposed 716 overlay area code became effective, customers in the 716-area code had already transitioned to mandatory 10-digit dialing

due to the national implementation of the ‘988’ three-digit hotline to reach the National Suicide Prevention Lifeline, which was scheduled to be completed by July 16, 2022. Therefore, certain customer education and industry technical milestones were not needed in this case and the timeline to implement the proposed area code was shorter than in past overlay code cases.

Because of positive economic growth in Western New York, there is a clear need for more cellular service and other technologies for both home and business. As a result, an additional telephone area code number is required. The new area code is necessitated by the expansion of telecommunication services in this region.

An overlay is the appropriate means of providing numbering relief for the 716 Number Planning Area (NPA), given the prior successful overlays that have been implemented in New York over the past two decades. The new overlay has a projected life of approximately 29 years.

With the Commission’s decision, all existing 716 area code wireline and wireless telephone customers in the overlay area retained their current 716-area code and telephone numbers, i.e., the new area code would cover requests for new phone numbers once the 716 NPA is fully exhausted.

WESTERN NEW YORK RESIDENTS AND BUSINESSES PREPARE FOR NEW 624 AREA CODE

The Commission announced in October 2022 that residential, business, and wireless customers within the existing 716-area code region needed to prepare for the introduction of the new 624 area code, as early as the second quarter of 2024.

To meet the increasing demand for residential and business phone numbers, on October 13, 2022, the Commission approved an all-services overlay area code to be added to the current 716 area code that serves all or portions of Allegany, Cattaraugus, Chautauqua, Erie, and Niagara counties. The Commission determined that, among the available relief options, an all services overlay was the best alternative to enhance the public interest in the 716-area code region by providing long-term relief, at the least expense, and with minimal disruption to consumers.

The overlay area code will be assigned to newly issued telephone numbers in the region once all unassigned 716 telephone numbers had been exhausted and are applied to all telephone numbers, regardless of service type. As early as the second quarter of 2024, customers in the 716-region requesting new service, an additional line, or a move in the location of their service, may be assigned a number in the new 624-area code.

Customers needed to ensure that all services, automatic dialing equipment, applications, software, or other types of equipment recognize the new 624-area code as a valid area code. Some examples are life safety systems, fax machines, Internet dial-up numbers, alarm and security systems, gates, speed dialers, mobile phone contact lists, call forwarding settings, voicemail services, and similar functions. Business stationery, advertising materials, personal checks, and personal or pet ID tags should include the area code.

The North American Number Plan Administrator (NANPA), as designated by the Federal Communication Commission, determines the newly assigned area code. NANPA has the key perspective of all available 3-digit codes to be able to set future area codes and does so years in

advance of the exhaust of an area code. When designating the future area code, NANPA considers whether dialing conflicts are created within and between the new code and adjacent area codes within the State. As the transition to 10-digit local dialing continues within area codes, dialing conflicts were of less importance when designating future area codes.

TRANSMISSION LINE SITING

PSC PAVES COST-EFFECTIVE PATH TO DEVELOP NEW TRANSMISSION LINES

The Public Service Commission (PSC, Commission) approved a methodology for benefit cost analysis proposals in June 2022 to be submitted by the major utilities to enable a cost-effective prioritization of local transmission and distribution investments needed to meet the Climate Leadership and Community Protection Act (Climate Act) mandates.

The landmark Accelerated Renewable Energy Growth and Community Benefit Act, companion legislation to the Climate Act, required the Commission and the utilities, including the Long Island Power Authority (LIPA), to develop plans that provide for the timely development of local transmission and distribution upgrades needed to meet Climate Act targets. The Commission directed the major utilities to develop the benefit/cost analysis method (BCA) for use in the evaluation of potential local electric transmission and distribution system upgrades identified under the statute.

The purpose of the approved BCA is to guide the utilities toward the most cost-effective expenditure of ratepayer dollars to meet Climate Act mandates. The BCA method approved by the Commission relied upon capacity expansion modeling to focus on satisfying Climate Act requirements at the lowest cost. The projects under consideration included traditional line and substation types of projects, as well as rebuilding or reconductoring circuits, substation reconfigurations, expansions or rebuilds, construction of new substations, and installation of additional transformers.

The steps included in the approved BCA approach include:

- Capacity expansion modeling that considered the total cost of generating, connecting, and delivering energy produced from renewable generation after curtailments.
- Relying on inputs such as: (1) the capital cost and energy output of renewable generation sources in different locations across the State; (2) the capital cost of means of creating headroom for the delivery of renewable energy, including the Phase 2 local transmission projects, non-wires alternatives and bulk transmission system interconnections; and (3) constraints that needed to be respected; for example, feasibility and siting limitations for resource types in certain locations.
- Establishing a 70 percent renewable energy production resource requirement by 2030 consistent with New York State Energy Research and Development Authority (NYSERDA) and Department staff estimates and relying upon the capacity planning model to ‘build’ a least-cost portfolio of renewable resources and sources of headroom for the interconnection and delivery of such resources (the ‘capacity expansion’).
- Combining sources of renewable generation and other projects and stacking combinations from least-cost to highest-cost needed to cost effectively achieve 70 percent renewable energy generation by 2030.

The process we are approving is consistent with the least-cost approach to meeting the Climate Act requirements. New York is making significant upgrades and additions to the State's existing transmission and distribution systems to integrate new large-scale renewable energy projects into the State's energy supply, and we must ensure that these investments are smart and cost-effective.

COMMISSIONING THE EMPIRE STATE TRANSMISSION LINE

The commissioning of the Empire State Line was announced in July 2022 by Governor Hochul, a project that upgraded the energy transmission system that serves Western New York with a new, 20-mile, 345 kilovolt line. Operated by NextEra Energy Transmission New York (NEETNY), the Empire State Line increases transmission capacity and integrated more renewable energy into the State's electric grid.

The 20-mile 345 kilovolt line connected the new Dysinger switchyard in the Town of Royalton (Niagara County) with the new East Stolle switchyard in the Town of Elma (Erie County). In addition to providing access to existing renewable resources, the new transmission line advances New York's clean energy goals by supporting the integration of future renewable resources from Western New York.

Linked to a new 345kV substation at East Stolle by the Empire State Line, the Dysinger Switchyard features a phase angle regulator (PAR) serving as a connection to seven 345kV lines, creating a new transmission hub in Western New York that enables renewable energy. The PAR is an innovative transmission solution developed

by NEETNY to manage power flow, providing grid operators greater operational flexibility to move renewable energy around New York State.

The Empire State Line was selected by the New York State Independent System Operator (NYISO) through a competitive solicitation process. Since the project's selection, NEETNY worked closely with NYISO and the PSC to meet all legal and regulatory requirements for the development, permitting, and construction of the Empire State Line. Both NYISO and the PSC were instrumental in providing clear expectations and meeting schedule milestones for the coordination and planning required for this project.

APPROVAL OF MAJOR UPSTATE TRANSMISSION

Governor Hochul announced in August 2022 that the Commission approved rebuilding a critically important 100-mile transmission line in New York's North Country needed to meet the requirements of the Climate Act. The project, known as 'Smart Path Connect,' represents an upgrade to the transmission backbone system of New York that improved reliability throughout the State. It complemented the previously approved Smart Path and AC Transmission projects and reduced congestion and curtailments currently impacting renewable generation, and reduced the costs of delivered power for customers. The Smart Path Connect project eliminated existing curtailments and provided congestion cost savings of more than \$447 million.

The North Country transmission line is owned and operated by the New York Power Authority (NYPA) and National Grid. The project consists of rebuilding approximately 100 miles of existing 230 kilovolt (kV) transmission lines to either 230 kV or 345 kV along with associated

substation construction and upgrades along the existing rights-of-way in Clinton, Franklin, St. Lawrence, Lewis, and Oneida Counties.

The project includes rebuilding all or parts of NYPA's Moses-Willis 1 & 2 lines; NYPA's Willis-Patnode and Willis-Ryan lines; and National Grid's Adirondack to Porter line, the extension of the existing 230 kV Rector Road to Chases Lake Line 10, as well as connecting to NYPA's Smart Path (also known as Moses-Adirondack 1 & 2 or MA 1 & 2) rights-of-way. The project is needed to realize the potential for renewable energy development in Northern New York.

Once the Smart Path Connect project and the other projects like it are in service, they will provide a continuous 345 kV transmission system significantly improving the deliverability of renewable generation from northern and western New York. For its part, Smart Path provided economic benefits through reduced curtailments. It improved reliability, served the interests of electric system economy and reliability, and provided increased transmission capability for renewable resources required to meet the State's obligations under the Climate Act.

New York is making significant upgrades and additions to the State's existing transmission and distribution systems to integrate new large-scale renewable energy projects into the State's energy supply. The projects approved provide an important opportunity to achieve significant Climate Act benefits for the State as a whole.

In addition to approving the Smart Path Connect project, the Commission in separate actions decided the following:

- **Canisteo Wind Transmission.** Approved construction of a 14.6-mile transmission line in the Towns of Canisteo, Jasper, and Hornellsville (Steuben County), that connects the 290.7-megawatt (MW) Canisteo Wind Farm to the electric grid. Canisteo is one of the largest wind farms in New York State. The transmission project was needed to connect the Canisteo Wind Farm to the State's electric grid and thereby provide renewable energy to the electric system in furtherance of the greenhouse gas emission reduction objectives set forth in the Climate Act.
- **Central Hudson.** Approved construction of Central Hudson Gas and Electric Corporation's (Central Hudson) transmission line known as the H&SB project, which calls for rebuilding 23.6-miles of transmission lines in the City of Kingston, and Towns of Ulster and Saugerties (Ulster County), and the Town of Catskill and Village of Catskill (Greene County). The rebuild helped meet the energy needs of local communities, address aging infrastructure and to enhance electric service reliability.
- **Sound Cable.** Approved NYPA's request to amend plans for its Sound Cable transmission line, an existing 26-mile submarine transmission cable connecting the Consolidated Edison's 345 kV Sprain Brook substation, located in Westchester County, to the LIPA East Garden City substation, located in Nassau County. This approval enhanced the reliability of the Sound Cable Project. Additionally, NYPA installed eight new underground utility vaults in

Nassau County and replaced fiber optic communication cables on the upland portions of the Sound Cable Project in Nassau and Westchester Counties.

PSC GREENLIGHTS PRIVATE FINANCING AND MUNICIPAL APPROVALS FOR CHAMPLAIN HUDSON TRANSMISSION LINE

The Commission approved plans in September 2022 for project developers to secure up to \$6 billion in private financing that would be used to support construction of the Champlain Hudson Power Express Project (Champlain Hudson project), a high voltage, direct current transmission line extending 339 miles from the New York State border with Canada to Astoria, Queens. In addition, the Commission ruled that the project developers may proceed with the project and exercise the rights and privileges granted under the various municipal consents the project has received.

On April 18, 2013, the Commission authorized the project developers, CHPE LLC (formerly known as Champlain Hudson Power Express, Inc.) and CHPE Properties Inc., to construct the transmission line. As part of this siting proceeding, the Commission determined that the project would serve the public interest, convenience, and necessity, and would minimize the adverse environmental impacts.

The developers previously received permission to borrow up to \$4.5 billion for the project and was seeking further permission to increase the amount borrowed up to \$6 billion. New York ratepayers cannot be harmed by the terms of this financing as the project developers bear all the financial risk associated with this financial arrangement. Moreover, on November 29, 2021, H.Q. Energy Services

(U.S.) Inc., as part of a collaboration with the project developers, executed a contract with NYSERDA under which NYSERDA purchased renewable energy credits for renewable power that is delivered over the transmission line. Any additional authorized indebtedness to cover increased project costs cannot alter the prices established in the NYSERDA contract.

Several groups provided comments in support of the Commission's decision, including the mayor of the Town of Haverstraw, the supervisor of the Town of Putnam, the chief of staff to the supervisor of the Town of Clarkstown, and the superintendents of the Hudson Falls Central and Whitehall Central school districts. Each cited the long-term financial benefits to their constituencies and maintained that the developers have been a cooperative partner, regularly engaging with stakeholders and addressing any articulated concerns. Several groups opposed the underlying project, asserting that hydropower is not clean energy, its purported benefits are overstated, and the project damaged the Hudson River.

In making its decision, the Commission stated that the environmental concerns regarding the project were addressed as part of the siting proceeding. Further, the proposed financing is consistent with other debt issuances approved for lightly regulated corporations that participate in competitive wholesale markets.

APPROVAL OF A MAJOR OFFSHORE WIND TRANSMISSION LINE

The Commission approved a transmission line in November 2022 that would deliver electricity from the Sunrise Wind Farm, a proposed wind farm off the coast of Long Island, to the existing electrical grid in New York State. The 25-mile offshore/onshore transmission line carries electricity from the

wind farm to an existing substation in Brookhaven (Suffolk County).

At 924 megawatts (MW), the proposed Sunrise Wind farm, located in federal waters, is the largest offshore wind farm that would be connected to New York's electric grid. The wind farm project, which has the potential capacity to power nearly 600,000 homes, was developed as a partnership between Ørsted and Eversource, with support from Con Edison Transmission and NYPA, who assisted with the development of the transmission facilities needed to deliver the offshore wind energy to the electric transmission grid.

The developers expect the offshore wind farm to be fully operational by 2025, resulting in a direct investment of more than \$408 million in New York State and the creation of 800 direct jobs in the State, plus thousands of indirect jobs. The transmission line approved by the Commission will be constructed by Sunrise Wind, LLC. Additionally, Sunrise Wind is entering negotiations with New York State contractors and trade labor organizations on a project labor agreement to cover construction activities for the project and committing to paying prevailing wages.

Offshore projects like Sunrise play a key role in developing clean-energy for New York State and help the State achieve its nation-leading renewable energy goals. Our decision protected the public interest and ensured any potential significant negative impacts of the transmission project are avoided or minimized. The Sunrise decision is a win for Long Island, and a win for all New Yorkers because it represents another step in the transition to cleaner energy and creates jobs and opportunities for individuals and industries.

The adopted joint proposal was unopposed by any party and was signed by Sunrise Wind, Department of Public Services staff, Department of Environmental Conservation, Department of Agriculture and Markets, Department of State, Department of Transportation, and the Long Island Commercial Fishing Association. The agreement protected the public interest and ensured potential significant negative impacts of the transmission project were avoided or minimized. The next step in the process required Commission approval of the transmission project's environmental management and construction plan prior to construction.

The approved transmission project includes a high-voltage, 320-kV, direct current submarine export cable bundle up to 5.2 miles long that enters New York State territorial waters three nautical miles from land. The transmission line then transitions from an offshore cable to an onshore cable that travels up to 17.2 miles to an onshore converter station.

New York State selected Sunrise Wind, a 924-megawatt wind farm located more than 30 miles east of Montauk Point, as part of NYSERDA's inaugural competitive 2018 offshore wind solicitation. Construction was anticipated to start as early as 2023, with the wind farm expected to be fully operational in 2025.

New York State's nation-leading offshore wind project pipeline, which has five projects in active development, is the largest portfolio in the nation. This initial portfolio totals more than 4,300 megawatts, powers more than 2.4 million New York homes, and is expected to bring a combined economic impact of \$12.1 billion to the State. In February 2023, Governor Hochul celebrated the start of construction for South Fork Wind, which is anticipated to become operational in late 2023, and is expected to

eliminate up to six million tons of carbon emissions, or the equivalent of taking 60,000 cars off the road annually.

Combined, the five projects are expected to create more than 6,800 jobs in project development, component manufacturing, installation, operations, and maintenance.

CONSTRUCTION ON 339-MILE CHAMPLAIN HUDSON POWER EXPRESS TRANSMISSION LINE TO BRING CLEAN ENERGY TO NEW YORK CITY

Governor Hochul announced the start of construction for the 339-mile Champlain Hudson Power Express transmission line, being developed by Transmission Developers Inc, to deliver reliable clean energy from Hydro-Québec in Canada directly to New York City, was announced in November 2022. The construction of the green infrastructure project, scheduled to begin following the execution of a major union labor agreement between the developer and New York State Building and Construction Trades, is expected to bring \$3.5 billion in economic benefits to New Yorkers while creating nearly 1,400 family-sustaining union jobs during construction.

I applaud Governor Hochul's commitment to develop projects such as Champlain Hudson that reinforce the backbone of our energy system. In addition to helping ensure a clean energy future, projects such as these are strengthening the safety and reliability of the transmission system. As such, Champlain Hudson played a key role in our comprehensive plan to modernize our state's transmission system so that it delivers clean energy to all New Yorkers, while advancing our climate goals and creating clean-energy jobs.

Champlain Hudson Power Express is the first of two historic projects to begin construction under the State's renewable energy and transmission program, known as Tier 4, that is administered by NYSERDA. The program aims to responsibly deliver a significant increase of renewable energy to New York City, an area of the State that relies on aging fossil fuel-fired generation located largely in underserved communities, experiences the most significant air quality issues and health impacts from fossil fuel emissions, and has a marked need for improved grid reliability and resiliency. Once completed, Champlain Hudson Power Express will deliver 1,250 megawatts of clean hydroelectricity, enough to power over one million homes, and will reduce carbon emissions by 37 million metric tons statewide, the equivalent of taking over half a million cars off the road every year. The transmission line is expected to be fully operational in the spring of 2026.

This milestone comes after the Commission approved the project's first Environmental Management and Construction Plan for a 17.6-mile stretch of the transmission route between Putnam and Whitehall. The initial stage of construction activities, including site preparation and construction of a laydown yard, began in Washington County near Whitehall, and is anticipated to continue through November 2024.

Ensuring the project results in quality, family-sustaining jobs for New Yorkers, Champlain Hudson Power Express's contractors, Kiewit, NKT, and Hitachi are executing project labor agreements with electrical and building trade unions for the line's construction by union workers. Covering more than 15 different local union chapters across 22 separate trade disciplines, the project labor agreements are expected to total more than three million work hours combined.

In October 2022, the unions and the Champlain Hudson Power Express project team agreed to the first project labor agreement (PLA), reflecting almost two million labor work hours with work expected to begin in late 2022. Among the trades participating in the 147-mile upstate underground portions of the project were Operating Engineers, Laborers, and Teamsters. During the project construction, the contractors have committed to making efforts to employ Minority and Women-Owned Business Enterprises and utilizing Service-Disabled Veteran-Owned Businesses, including focused efforts to include members of disadvantaged communities in the labor force throughout the project areas. Additional project labor agreements are expected to be executed in the coming months for the submarine portion of the transmission line, as well as the construction of Champlain Hudson Power Express's converter station in Astoria, Queens.

Champlain Hudson Power Express continues to conduct stakeholder and community engagement meetings to inform the public about its construction and operational activities. As the project progresses, Champlain Hudson Power Express will work with the unions and training programs to promote training and apprenticeship opportunities for workers in underserved communities. In addition to these efforts, the Champlain Hudson Power Express Green Economy Fund was established to provide \$40 million for climate industry training programs, designed to further stimulate new career opportunities for local and underserved communities along the planned route with a focus on building skills to succeed in the evolving green economy.

Champlain Hudson Power Express provides an economic boost to 73 municipalities and 59 school districts in New York State with

an increase in incremental tax revenue of \$1.4 billion in funding for local communities over the first 25 years of the project. Champlain Hudson Power Express will disburse funding of nearly \$30 million, including:

- \$12 million to industrial development agencies in counties hosting the transmission line.
- The first \$12 million through its \$117 million Environmental Trust Fund will finance projects that enhance New York's eastern corridor waterways.
- The first \$2.5 million to kickstart the \$40 million Green Economy Fund will support workforce development and training initiatives in underserved communities.
- \$2 million will support the construction of the Randall's Island Nature Center and Queens Variety Boys and Girls Club STEM lab/programming.

The Champlain Hudson Power Express and Clean Path NY contracts were approved by the Commission in April 2022, making them the largest transmission infrastructure developments in New York State in the last 50 years. Together, these projects are capable of generating an expected 18 million megawatt-hours of clean energy per year, or more than a third of New York City's annual electric consumption, while delivering up to \$5.8 billion in net societal benefits statewide, inclusive of greenhouse gas reductions and air quality improvements and 10,000 family-sustaining jobs statewide with \$8.2 billion in economic development investments, including in disadvantaged communities.

\$98 MILLION FOR DEVELOPMENT OF NYSEG TRANSMISSION PROJECTS

The Commission approved the first round of funding of \$98 million in December 2022 requested by New York State Electric & Gas Corporation (NYSEG) to continue to develop 27 local transmission projects valued at \$1.27 billion that supported Climate Act goals. The remainder of the funding will be decided in future rate cases. The projects are expected to be in service by 2030 or earlier.

Transmission projects like these, and the other related projects, significantly improve the deliverability of renewable generation in New York State. These projects improved reliability and support efforts to meet obligations under the Climate Act and provide economic benefits through reduced curtailments, and improved reliability.

In addition to providing the reliability of the critical transmission system and other traditional infrastructure benefits to NYSEG's customers, the approved projects addressed transmission bottlenecks that limit delivery of upstate renewable energy to the bulk system and provide storm resiliency benefits. Importantly, the new transmission projects help spur economic growth and opportunities in upstate New York communities and increase local employment opportunities as well.

NYSEG originally proposed a group of 23 local transmission projects. After breaking down NYSEG's proposals into 46 components, the Commission found that 27 of the re-categorized projects would improve system headroom for new renewable generation and authorized NYSEG to continue development of those

projects. The Commission found that the remaining 19 projects were not presently necessary to support Climate Act goals.

NYSEG, a subsidiary of AVANGRID, operates approximately 35,000 miles of electric distribution lines and 4,500 miles of electric transmission lines across more than 40 percent of upstate New York. NYSEG serves 907,336 electricity customers.

The landmark Accelerated Renewable Energy Growth and Community Benefit Act, companion legislation to the Climate Act, requires the Commission and the utilities, including the Long Island Power Authority (LIPA), to develop plans that provide for the timely development of local transmission and distribution upgrades needed to meet Climate Act targets.

The approved NYSEG projects won the support of several parties in the proceeding, including the Alliance for Clean Energy New York, Inc.

APPENDIX: BUDGET HIGHLIGHTS

The FY 2023 Enacted Budget totaled \$367.5 million for the Department, an increase of \$255.4 million from the FY 2022 Budget, and a workforce of 528 employees for the Department, an increase of 37 FTEs. The increased appropriations are primarily attributable to new, one-time funding for the reduction of gas and electric utility arrears for residential customers.

ALL FUNDS APPROPRIATIONS (Dollars)

Category	Available 2021-22	Appropriations 2022-23	Change	Re- Appropriations 2022-23
State Operations	\$106,336,000	\$111,760,000	\$5,424,000	\$5,500,000
Aid to Localities	\$5,750,000	\$255,750,000	\$250,000,000	\$5,453,000
Total	\$112,086,000	\$367,510,000	\$255,424,000	\$10,953,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYEMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	2021-22 FTEs	2022-23 FTEs	FTE Change
Administration			
Special Revenue Funds - Other	61	65	4
Regulation of Utilities			
Special Revenue Funds - Federal	22	22	0
Special Revenue Funds - Other	408	441	33
Total	491	528	37



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