

*New York State Department of Public Service*

# Annual Report

## 2024-2025



**Rory M. Christian, Chair**  
**Kathy Hochul, Governor**

**April 1, 2024 – March 31, 2025**



## **Department of Public Service**

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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 Department (Department) and the Commission (PSC, Commission) were established by statute to oversee the utility companies that own and operate the infrastructure through which customers receive these essential services, and to protect these customers. Our Agency's mission is to ensure these industries provide safe and reliable service at just and reasonable rates, in a way that protects natural resources. The welfare of all New Yorkers and the operation of the State's economy depend on safe and reliable access to affordable energy, water, steam, telecommunications, and cable services. Pursuit of this mission works hand-in-glove with Governor Hochul's commitment to an affordable and reliable clean energy future.



After more than a decade of energy usage that has remained flat, due in part to hard-won gains in energy efficiency, forecasts now show electricity demand rising significantly over the coming years to keep pace with new industries and economic development, as well as the electrification of buildings and transportation. Through the Governor's leadership, we are bringing new jobs and businesses to New York – in great part because the State's commitment to clean energy aligns with their corporate policies – and advancing our transition to a clean economy.

Clean energy will provide the backbone for continued economic growth in New York, consistent with the principles enshrined in the Department's mission: affordability and reliability. But to meet this moment, we need to build more clean generation and transmission, maximize our resources to the benefit of consumers, and proactively plan for our future energy system and the increasing uncertainties under which those systems will operate.

Over the past year, the Department and the Commission have taken several steps to advance these priorities. The Department has progressed the Coordinated Grid Planning Process, which enables the Commission and the state's utilities to identify where transmission and distribution investments would enable the integration of clean energy resources. The Commission launched a Proactive Planning Proceeding to identify where transportation and building electrification will require grid upgrades. And, following Governor Hochul's directive in her 2024 State of the State, the Commission initiated the Grid of the Future proceeding to increase the deployment and use of flexible resources in grid planning and operations to ensure that New York gets maximal value from its grid and available demand side resources. In addition, the Commission approved a new framework for the State to achieve a nation-leading six Gigawatts (GW) of energy storage by 2030. The Department has continued moving the zero emissions proceeding forward, most recently developing a whitepaper for Commission consideration. The Department and Commission have also continued to steer the development of gas utilities' long-term plans.

Following the passage of the Renewable Action Through Project Interconnection and Deployment or RAPID Act in the 2024-2025 Enacted Budget, the Office of Renewable Energy Siting and Electric Transmission, or ORES, was transferred to the Department to create a one-stop-shop for siting and permitting major renewable energy generation and electric transmission projects. The RAPID Act prioritizes transparency, community engagement, environmental protection and faster decision-making to enhance the pace of project implementation. In 2024 alone, ORES issued four final siting permits for major renewable generation facilities, representing over 600 Megawatts (MW) of new clean energy, providing enough electricity to power more than 161,000 homes.

In addition to these major policy actions, the Commission continues to build on its long history of evaluating emerging risks to ensure the safe, reliable, and resilient operation of our energy systems. Over the past year, the Commission evaluated seasonal and long-term weather trends, winter and summer gas and electric system readiness, cybersecurity threats, economic trends and supply chain concerns to current and potential future energy policies. The Commission approved electric emergency response plans for the State's major electric utilities and the Department continued to coordinate emergency response for storm-related utility impacts. The Commission also approved the Climate Change Resilience Plans filed by many of New York's utilities and initiated a proceeding to develop uniform, best-in-class protections for extreme heat. These actions underscore the Commission's commitment to ensuring investments in our energy system are designed to withstand the impacts of a changing climate while mitigating energy burdens for utility customers.

A key role of the Commission and the Department is to review rate cases and, through this process, deliver rates that strike a balance between affordability, reliability, and safety. During the course of the fiscal year, the Commission decided five major electric, gas, and water utility rate cases, adopting rates well below what utilities initially sought and thereby avoiding approximately \$437 million in costs to ratepayers.

The rate case process is only one piece of the Commission and the Department's work to advance energy affordability. The Commission and Department are committed to pursuing the goal that New York households should not pay more than 6 percent of their income toward energy costs.

Thanks to the leadership of the Governor and the Legislature, in 2024 the Commission established a \$200 million New York State energy bill credit that was administered by the State's large electric and gas utilities, making more than \$1.4 billion available to New York consumers to help offset energy costs when combined with prior efforts to reduce utility arrears. The Department is also expanding eligibility for the Energy Affordability Policy (EAP), making it available to all households at or below the State's median household income. Additionally, Department staff worked with the utilities to implement Governor Hochul's legislation designed to increase enrollment in utility energy affordability programs by expanding automatic enrollment. This work was done in coordination with the Office of Temporary Disability Assistance and the State's utilities. The Commission also acted on the Governor's directive to implement the Statewide Solar for All program to efficiently deliver clean energy savings to low-income households.

The Commission and the Department continuously identify opportunities to strengthen utility oversight and enhance consumer protections. In 2024, the Commission levied \$23.5 million in financial penalties against five utilities for failing to meet 2023 customer service standards. The Commission also secured \$115 million cumulatively from utility shareholders in enforcement proceedings against utilities that the Department's Office of Investigations and Enforcement alleged violated the Public Service Law, or regulations.

Additionally, the Commission approved an enforcement settlement with Charter Communications to further expand access to affordable broadband for low-income customers across the State. This action was furthered by the Commission's recent action to reinstate the Affordable Broadband Act, which connects qualifying low-income households with service at just 15 dollars per month. New York became the first state in the nation to require internet service providers to offer this discounted broadband service and the Commission will work to ensure all providers fully comply with the law. The Department and Commission have continued

to meet its statutory mandate to annually update the State's broadband availability map and issue an annual report on accessibility and affordability. This map is a critical tool to assist the State's ConnectAll office in implementing Governor Hochul's continuing efforts to expand broadband to all households and businesses in the State. The report provides a much-needed resource for low-income New York consumers and organizations working to assist low-income New Yorkers to identify broadband companies that provide discounted broadband to income-eligible New Yorkers.

The Department is monitoring the decommissioning of Indian Point nuclear power plant and administers the Decommissioning Oversight Board which provides a forum for information exchange to keep the public apprised on all aspects of decommissioning. The Department works with the federal Nuclear Regulatory Commission in regularly reviewing operations of the operating nuclear power reactors in the State.

The Commission and Department — in coordination with sister agencies like the New York State Energy Research & Development Authority (NYSERDA) —continue to play a key role in energy system planning and oversight and the development and execution of policies to support New York's clean energy transition. Guided by some of the nation's most aggressive climate and clean energy initiatives, New York is on a path to achieving a zero-emission electricity sector. The Commission has approved funding for large scale renewable and transmission projects, initiatives to reduce building emissions and advance clean transportation, and efforts to scale up solar deployment across the State. These and other investments are supporting more than 179,000 jobs in New York's clean energy sector as of 2023.

The Governor's budget helps us build on these successes. The 2025-26 State of the State and Enacted Budget includes \$155.04 million in funding to support the Department's operations and calls on the Department to advance several proposals to align economic development and clean energy initiatives in a way that lowers the cost of the clean energy transition.

To align the development of clean energy generation and transmission expansion plans, the Governor called on the Department to identify Clean Energy Zones (CEZ). Clean Energy Zones to build on the Department's Coordinated Grid Planning Proceeding to reduce project risks, further engage communities, and support economic development with clean generation and transmission deployment.

Another new program, the Promote Opportunity with Electric Readiness for Underdeveloped Properties, or POWER UP, is designed to create power-ready sites and attract new businesses to the state. With a commitment of \$300 million in seed funding, the program would help to defray grid interconnection and other costs to new businesses that are seeking to relocate to, or expand in, New York. The Department – in partnership with Empire State Development – will provide expertise in utility capital planning and identify potential sites that bundle clean energy resources.

Given the growing demand for clean energy, the Governor also announced the State is taking appropriate steps to responsibly develop incremental nuclear power capacity in New York. The Department will work with other State partners to evaluate and plan for the role of nuclear energy in New York State.

Beginning in 2020, Staff has conducted an annual and triennial review of the progress towards achieving the energy storage deployment goals and the effectiveness of the deployment policies and actions in meeting those goals.

In 2024, the Annual Storage Report noted 977 MW in deployed, awarded or contracted projects or 65 percent of the 2025 goal of 1,500 MW. The report shows an increase from the April 2024 number in the total installed / in-pipeline MW of storage statewide to 1,403.2 MW in capacity. This represents approximately 93.5 percent of the 2025 target of 1,500 MW and 23.2 percent of the 2030 target of 6,000 MW. Of this 1,403.2 MW total, the report shows that 479.7 MW were installed with the rest being under contract or awarded as of March 2025.

The Department can only deliver on its mission with input from the public. Public statement hearings, both in-person and virtual, are a vital tool for public engagement in rate cases, siting and permitting reviews, and other proceedings. In the last fiscal year, we held more than 52 public statement hearings and meetings, attended by thousands of New Yorkers, and received over 10,000 public comments in hundreds of proceedings that played a key role in decision-making. The Department fielded more than 42,000 consumer calls, handled approximately 20,000 consumer inquiries and complaints, and returned nearly \$13 million in utility consumer refunds, an increase of 75 percent from 2023. Together, these interactions inform our approach to our mission and to the companies we regulate.

In conclusion, we are well-positioned to deliver our core mission.

Respectfully,

**Rory M. Christian**  
Chair and Chief Executive Officer

August 27, 2025

## INTRODUCTION

The availability of reliable, affordable, and safe utility service is critical to the welfare of New York State's citizenry and to its economy. The Department and the Commission were statutorily established to oversee these natural monopolies to ensure the following: that their essential services are safe and reliable, they provide utility services at just and reasonable rates, and they are protective of natural resources. From April 1, 2024, to March 31, 2025, 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 for the Commission. They work on matters relating to the State's utilities and provide 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. This includes 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. This includes the following matters: rate determinations; utility financing; consumer protection, safety, and reliability of utility services; and the 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 performs a multitude of tasks. This includes developing and implementing State regulatory and energy policies; inspecting utility equipment necessary for rendering service to the public; conducting and participating in hearings; overseeing management and operations audits; and receiving, investigating, and resolving numerous complaints (*i.e.*, billing, customer service, and other utility or energy service companies' practices).

## INVESTIGATIONS AND SETTLEMENTS

The Department has a robust auditing schedule, regularly performing management and operations audits of the major electric and gas utilities, and the Department's Office of Investigations and Enforcement brings numerous enforcement cases each year that ensure utility compliance with all laws, rules, regulations and orders of the Commission. Notably, this year the Department reached a \$62 million enforcement settlement with Central Hudson Gas & Electric Corporation's (Central Hudson) resolving the company's failed deployment of a new customer billing system that resolved alleged violations of Commission regulatory standards. The Commission levied \$23.5 million in financial penalties against five utilities in 2024 for failing to meet 2023 customer service standards. Utility failure to meet these targets results in financial penalties, or negative revenue adjustments, which reduce a utility's return on equity and are automatically credited to customers under each utility's respective rate plan or deferred until the next rate case. In 2024 and 2025, the Commission took several actions to protect utility customers in several investigations, settlements, and audits, several of which are highlighted below.

The Commission approved a significant financial settlement whereby National Grid shareholders pay \$1.7 million for enhanced safety measures and training at the Greenpoint Liquid Natural Gas (LNG) facility in Brooklyn due to a gas incident in 2022. No member of the public was injured as a result of the incident.

The Department made public an independent, third-party comprehensive management and operations audit of the Long Island Power Authority (LIPA) and its service provider PSEG Long Island (PSEG LI). The audit focused on how to improve performance and provide value to LIPA and PSEG LI's customers and reviewed core utility operations pursuant to the LIPA Reform Act. The audit also included the impacts of COVID-19 on customer service, smart meter deployment, efforts to support clean-energy goals, contractor oversight, and information system planning and implementation.

### CUSTOMER SERVICE STANDARDS

In June 2024, the Commission received an update from The Department staff on multiple New York electric, gas, and water utilities' failure to achieve their annual customer service performance target for 2023. No Commission action was required because these financial offsets are self-actuating. Collectively, the penalties or NRAs amounted to \$23.5 million for customer service performance measure failures in 2023.

Our Office of Consumer Services staff conducted an in-depth review of the utilities' successes or failures in meeting their respective customer service performance measures filed as required by each utility's respective rate plan. Ensuring that the utilities operating in New York State maintain good customer service is a top priority for the Commission. The negative rate adjustments announced were company financial enforcement payments for missing specified customer service metrics.

Each of the following utilities failed to meet at least one of their customer service

performance metrics: Liberty Utilities d/b/a St. Lawrence Gas failed to meet its Customer Satisfaction Survey metric, resulting in an NRA of \$39,000; Niagara Mohawk Power Corp. d/b/a National Grid (Niagara Mohawk) failed to meet its small/medium commercial and industrial customer satisfaction survey metric, resulting in an NRA of \$1.2 million; Central Hudson failed to meet all three of its customer service metrics, resulting in an NRA of \$3.8 million; and New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation (O&R) each failed to meet all four of their respective metrics, resulting in NRAs of \$11.4 million and \$7.1 million, respectively.

Meanwhile, the following utilities met or exceeded their customer service measures established within their respective rate plans: Consolidated Edison Company of New York, Inc. (Con Edison); Corning Natural Gas Corporation (Corning) ; KeySpan Gas East Corporation d/b/a/ National Grid (KeySpan); The Brooklyn Union Gas Company d/b/a National Grid NY National Grid (Brooklyn Union); Liberty (Liberty) Utilities New York Water Corporation; National Fuel Gas Distribution Corporation (National Fuel); O&R; and Veolia Water New York, Inc.

The importance of maintaining good customer service for utilities cannot be overstated. Utilities exist to serve customers and the services they provide are vital to public health and welfare, and to our economy. If the company fails to maintain good customer service, the Commission-approved customer service performance targets activate to ensure the utilities receive powerful market signals to improve their behavior.

### **POLARIS POWER SERVICES LLC, RELIEF ENERGY LLC, AND CLEAR GREEN ENERGY LLC**

In November 2024, the Commission took action against three energy services companies, or ESCOs, operating in New York State for failing to abide by New York’s strict rules and regulations to protect consumers. The three ESCOs are Polaris Power Services LLC (Polaris), Relief Energy LLC (Relief), and Clear Green Energy LLC (Clear Green).

The ESCO market is an important part of the energy system. That said, ESCOs must meet standards that are designed to ensure they benefit consumers. In instances where the ESCO does not play by the rules, the Commission imposes consequences, including potentially prohibiting them from doing business in New York State.

In the first action, the Commission ordered Polaris to show within 30 days why its eligibility to operate as an ESCO in the State of New York should not be revoked or why other consequences should not be imposed. In February of 2024, Commission staff initiated an investigation into Polaris’ customer contracts following a 2022 renewable energy review. Staff contended that Polaris failed to honor the terms of its sales agreements, requiring the ESCO to purchase a specific percentage of renewable energy credits and failed to enroll mass-market customers into compliant products.

Meanwhile, in separate actions, the Commission revoked Relief’s and Clear Green’s eligibility to serve as ESCOs in New York State. Staff had contended that the two ESCOs failed to submit annual compliance filings, and subsequently failed

to respond to any of staff's information requests.

Every ESCO in New York must comply with New York Uniform Business Practices guidelines and with all applicable orders from the Commission to maintain its eligibility to operate in New York. Among other requirements, ESCOs must file with the Commission Secretary their annual compliance report by January 31 each year. Failure to comply with the rules could result in losing the ability to operate in New York.

### **FRONTIER COMMUNICATIONS PARENT, INC.**

The Commission also initiated a focused operations audit of Frontier Communications Parent, Inc. (Frontier) and directed Department staff to issue a request for proposals to select an independent consultant to conduct the audit.

The audit examined Frontier's operations in New York State and customer operations, service quality, network reliability, facility transfers, and pole removals.

Department staff had ongoing concerns related to Frontier's service quality performance, network reliability, and failure to report ongoing problems to state regulators, as required. Frontier operates under a Commission-approved Open Market Plan (OMP); however, Frontier missed the OMP's service quality performance thresholds and is, therefore, prohibited from issuing dividends.

The company also allegedly failed to pay some of the resulting penalties to ratepayers or provide the required remedies in a timely fashion. Additionally, Frontier was lagging on attachment transfers to new utility poles and necessary pole removals, potentially

delaying the expansion of broadband and wireless infrastructure throughout its service territory.

Frontier is a communications provider offering telecommunications and internet services to millions of consumers and businesses in 25 states, including New York State. The company serves approximately 107,000 access lines in New York, and operates in communities in and around the Finger Lakes, North Country, and Mid-Hudson regions.

Department staff recommended an audit be commenced to determine the extent to which service quality concerns are ongoing and to identify any necessary remedial measures to ensure the company provides customers with adequate service. The audit contract was approved in April 2025 by the Department.

### **COLUMBIA UTILITIES POWER, LLC**

In December 2024, the Commission announced that an ESCO operating in the Mid-Hudson region was to pay a settlement of \$1.5 million for failing to provide low-cost renewable energy to customers, as promised.

The Commission remains watchful of ESCO programs so that they can benefit consumers, provide market transparency and integrity, and advance state energy goals.

As a result of this legal action, Columbia Utilities Power, LLC pays a total of \$1.5 million into a settlement fund that, after the deduction of expenses, will be used for the benefit of affected ratepayers. In exchange for this settlement payment, the Commission and the other parties agree to resolve all regulatory enforcement actions related to Columbia's participating in and conduct

relating to the CCA program. As a result of this settlement, approximately 25,000 utility customers in the Hudson Valley share in the financial settlement with Columbia. The payout ranges from \$40-\$50 per affected customer after legal fees.

In 2021, Columbia, an ESCO, entered into multiple electricity supply contracts with 10 municipalities located in the Hudson Valley — the cities of Beacon and Poughkeepsie, the towns of Clinton, Marbletown, Philipstown, New Paltz, Red Hook, and Saugerties, and the villages of Cold Spring and New Paltz — to support a Community Choice Aggregation (CCA) plan sponsored by Joule Assets, Inc. as the CCA administrator.

The electricity supply agreements contractually obligated Columbia to provide a fixed price per kilowatt-hour for participating customers within the municipalities for a three-year term: July 1, 2021 to June 30, 2024. The agreements also required that 100 percent of the energy supplied to municipal residents must come from renewable energy sources. The agreements locked in a price for participating residential customers. By contrast, the local utility Central Hudson's standard rate during this time was approximately 35 percent higher than the rates contemplated in the agreements with Columbia as part of the Joule CCA program.

One year later, on July 18, 2021, the New York State Independent Operator (NYISO) terminated Columbia's rights to participate in the NYISO-administered market in New York State as a result of Columbia's failure to post approximately \$3.5 million in collateral to comply with NYISO's creditworthiness requirements. Columbia's customers, who originally were promised

three years of renewable energy at a favorable fixed price, reverted to the default utility service, Central Hudson, at a higher retail market rate. Columbia remains in business in New York after the settlement.

On June 3, 2022, Joule, the CCA administrator, and the 10 municipalities banded together to bring a civil action alleging breach of contract and other claims against Columbia in Ulster County Supreme Court. On June 6, 2022, the Commission intervened in the action, to seek redress for affected ratepayers.

## **NATIONAL GRID**

### **Bribery and Kickback Scheme**

The Commission adopted a settlement valued at \$42 million with National Grid and its downstate subsidiaries resolving issues related to National Grid's downstate gas business after several former National Grid employees were charged and convicted in a bribery and kickback scheme involving contracts worth tens of millions of dollars.

The decision finalized the investigation into the actions of now former employees of National Grid who were charged and convicted of soliciting and accepting improper payments from a contractor in connection with facilities' department contracts in Long Island and New York City. In this proceeding, the Department examined potential imprudence, the adequacy of National Grid's internal controls, and National Grid's compliance with its own internal procedures as well as provisions of the Public Service Law, the Commission's regulations, and Commission orders.

On June 17, 2021, the United States Attorney for the Eastern District of New

York announced that five managers of a New York utility company had been charged with conspiring to violate the federal law by accepting hundreds of thousands of dollars in bribes and kickbacks in exchange for steering contracts to certain Long Island-based contractors with whom the company did business.

The federal criminal complaint raised significant concerns related to the internal controls established and implemented by the companies. To ensure the integrity of the companies' contracting process, the Commission's June 23, 2021 order directed the companies to file an initial investigation report detailing various aspects of the companies' operations including but not limited to the companies' internal controls, procurement, invoicing, ethics, and investigation practices.

Additionally, the Commission's 2021 rate case order required the companies to each collect \$2.5 million of National Grid's downstate subsidiaries, Brooklyn Union's revenue requirement through a rate adjustment clause to be disposed of by the Commission in this proceeding.

Since 2021, the Department and the companies pursued a robust investigation including conducting interviews with the criminal defendants and National Grid personnel and using customized data analytics to evaluate the efficacy of invoices and transactions made since 2013, the totality of which was detailed in the companies' supplemental report. The settlement provided a substantial financial benefit to customers as the Companies' shareholders are responsible for \$42 million associated with the case. Per the terms of the settlement, the companies agreed to return to customers the full \$20 million recovered

over the term of the last rate plan through the rate adjustment clause, and not to seek recovery from customers of the more than \$22 million incurred in connection with the companies' own investigation and controls enhancement activities. The Commission's decision resolved concerns against the companies related to the federal criminal case. The \$20 million component of the settlement money offset ratepayer costs.

### **Natural Gas Incident**

In December 2024, the Commission adopted the terms and conditions of a \$1 million settlement agreement that resolved all alleged violations committed by National Grid relating to a natural gas incident at 532 W. Elm St., Oneida, in Madison County on September 9, 2023, within the utility's service territory. The Commission's decision was based on staff's investigation into the incident.

The Commission takes very seriously its role of ensuring the public's safety. This gas explosion demonstrated that the Department holds utility shareholders fully accountable for violations through enforcement actions to protect the public.

Early on September 9, 2023, an individual rammed a stolen vehicle into a residential home located at 532 West Elm Street. The vehicle struck the outside gas meter at the residence, completely severing the shut-off valve at the gas meter. The damage to the gas meter produced an above-ground natural gas leak. Emergency 911 dispatchers contacted National Grid for a field response to the incident. Multiple adjacent homes were evacuated by responding law enforcement and fire departments.

A responding National Grid employee made the determination that they could not stop

the blowing gas into the residence, therefore, they called National Grid dispatch for a specialized gas operations unit. This employee did not, however, call for an electric operations crew to turn off the power to the residence, nor did they take action to cut the power with available tools. After approximately three hours had elapsed while National Grid crews were readying their equipment and personnel, the residence violently exploded, completely destroying the structure. Luckily, no one was injured in the explosion.

Staff's investigation determined that the dispatched National Grid employee, as a first responder, took no affirmative act to shut off electrical service to the residence, and therefore apparently failed to remove potential sources of ignition. The National Grid employee further apparently failed to call for additional assistance to shut off electrical power to a residence that was filling with combustible natural gas for approximately three hours.

The investigation also found that National Grid policies and procedures apparently do not contain sufficiently detailed protocols for disconnecting electrical service during a natural gas emergency. Staff interviewed the National Grid dispatch supervisor, discovering that he apparently did not report the explosion incident to the Department in a timely fashion. Under the terms of the settlement agreement, National Grid shareholders pay \$1 million for enhanced safety measures and training to prevent similar incidents in the future.

## **CENTRAL HUDSON GAS & ELECTRIC CORPORATION**

### **Natural Gas Explosion**

In March 2025, the Commission, as part of its investigation into a natural gas explosion at 7 Brick Row, Wappingers Falls, Dutchess County, in the Central Hudson service territory, concluded that Department staff presented credible and specific information as well as sufficiently viable legal theories, which was not negated by the utility's response, to justify this matter progressing on to an adjudicatory hearing overseen before an administrative law judge.

The gas-related explosion injured multiple adults and children. According to staff's initial report, on November 2, 2023, Central Hudson was conducting natural gas distribution upgrades in the Wappingers Falls area as part of a distribution improvement project. These gas system upgrades included excavating gas facilities located under roadways and walkways to replace steel gas pipelines with new plastic pipelines, as well as installing new service lines to ratepayer residences. During operations, Central Hudson contractors struck an unmarked natural gas service line, causing a natural gas leak. Minutes later, the residence at 7 Brick Row exploded, severely injuring multiple individuals and destroying buildings.

The Commission voted to commence an administrative adjudicatory enforcement proceeding and request the appointment of an administrative law judge to conduct an evidentiary hearing regarding Central Hudson's apparent violations in relation to the explosion. The Commission may assess a civil penalty for violations of the Public Service Law and applicable regulations. Any such penalties are not recoverable from ratepayers.

Staff investigated Central Hudson and its contractors to determine the cause of the explosion, including securing testimony from witnesses, acquiring a comprehensive document production, and conducting site

visits at the incident location. Based on that investigation and staff's findings, staff claimed that Central Hudson had knowledge of the relevant active natural gas service line prior to the explosion yet did not include this information in the project binder for its contractors.

Central Hudson failed to maintain accurate maps of its service lines in the relevant area and failed to maintain atmospheric corrosion survey records and leakage records for the relevant area in violation of Commission regulations. Central Hudson asserts that the utility did not violate the Public Service Law or Commission regulations.

### **Billing System Failures**

In June 2024, the Commission also approved a settlement valued at \$62.59 million with Central Hudson, and up to an additional \$2 million in stipulated payments if the company fails to deliver monthly meter readings on schedule. The agreement required shareholders to pay the full cost of remedial actions taken to fix the billing system, as well as costs associated with a move to regular monthly meter reading and to implement recommendations made by an independent monitor. In addition, shareholders pay \$4 million to directly benefit Central Hudson ratepayers. As adopted, the \$64.59 million settlement agreement resolved the Department's ongoing investigation into past billing system failures by the company.

Customers rightly expect to receive timely and accurate bills for their utility services. The investigation and prudence review and audit found that Central Hudson wasn't meeting this basic expectation. As a result of the investigation, the company has made and continue to take corrective actions to resolve billing problems that have caused many customers great stress and confusion.

The specific provisions of the agreement include:

- Shareholders must pay the more than \$35.3 million spent over the last two and a half years to remedy problems with the company's customer information and billing system.
- Shareholders pay \$4 million to directly benefit customers to be allocated by the Commission.
- The company will not challenge approximately \$8.75 million in negative revenue adjustments due to missed customer service metrics, largely stemming from the billing system failures.
- Shareholders have incurred more than \$8.2 million in costs associated with back-billing credits to customers that were related to the billing system problems. The company continues to be obligated to provide back-billing credits when warranted if future cases arise.
- Shareholders to pay costs incurred and projected to be incurred to implement monthly meter readings (estimated to be \$6.3 million).
- Shareholders to pay up to \$2 million in additional payments in the event the company does not implement monthly meter readings by October 31, 2024.

The settlement comes after a 123-page report issued by an independent monitor assigned to examine Central Hudson's billing system and proposal to end bi-monthly billing estimates. After a thorough review, the monitor found that Central Hudson has resolved critical billing issues and reached a stable state. The Department noted that in April of 2024, complaints reported to the Department reached its

lowest number since the company launched its new billing system: down 88 percent from its high in March of 2022.

The independent monitor also identified foundational strategic issues that pose a risk to system stability if not properly addressed. Through the settlement agreement, Central Hudson will use shareholder money to implement the foundational strategic recommendations of the independent monitor. The independent monitor's report was released with the settlement and order. While the independent monitor and DPS staff have found that system-wide issues have been addressed, individual billing issues may still be possible (as is the case with any utility billing system), and customers who believe their bills are inaccurate are encouraged to file complaints with DPS's Office of Consumer Services.

As part of the agreement, Central Hudson filed a revision to its monthly meter read plan with a goal of reading the vast majority of customer meters every month by October 31, 2024, an acceleration of more than 14 months compared to the company's initial plans (to reach this goal by February 2026). As noted, the settlement incentivizes completion of the meter reading plan by requiring the company to pay an additional \$500,000 for each month of delay up to \$2 million. If triggered, this incentivization remedy could bring the overall monetary value of the agreement up to \$64.59 million.

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.

## LONG ISLAND SOLAR SOLUTION

In January 2025, the Commission revoked Long Island Solar Solutions, Inc.'s and Monolith Solar Associates, LLC's eligibility to act as distributed energy resource (DER) providers in New York State. Further, the Commission penalized Atlantic Energy, LLC, a uniform ESCO, \$100,000 for violating the Commission's Uniform Business Practices rules. Atlantic Energy also agreed to refund customers impacted by its non-compliance.

The Commission revoked Long Island Solar's and Monolith's eligibility to act as DER providers in New York State after they separately failed to file 2023 annual compliance statements and 2023 annual compliance reports by March 31, 2024. Pursuant to Commission rules, every DER provider in New York must comply with all applicable Commission orders to maintain DER provider authorization to operate in New York.

Every DER provider and ESCO in New York must comply with all applicable orders from this Commission to maintain eligibility to operate in New York and there will be swift action to revoke their ability to do business in New York State or penalize them financially.

In addition, the Commission adopted the terms and conditions of a settlement agreement between Atlantic Energy, an ESCO, and the Department's Office of Investigations and Enforcement. Pursuant to the terms of the settlement agreement, Atlantic acknowledged that it enrolled more than 250 customers on non-compliant products that offered inappropriate inducements, and that it transferred 25 expired customers to renewable energy products without those customers' affirmative consent.

Based on this acknowledgment, Atlantic agreed to remit a civil settlement of \$100,000. Atlantic further agreed to refund its customers a collective total of \$3,234.67, representing the difference between what the utilities operating in relevant jurisdictions have charged Atlantic's customers had they received service from those utilities, as compared to what Atlantic charged those customers during the time-period impacted by the non-compliant products.

The settlement agreement resolved the allegations of an August 18, 2023 order to show cause, which alleged that Atlantic violated three provisions of the Uniform Business Practices rules and failed to comply with the terms of a December 12, 2019 Commission order.

An ESCO is an entity that is eligible to sell electricity and/or natural gas to end-use customers using utility transmission or distribution systems, and may also perform other retail service functions, including developing, installing and financing projects to improve energy efficiency and reduce costs for customers.

A DER provider is a company that provides access to small-scale, modular energy generation and storage technology that is usually located near where electricity is used, like rooftop solar panels or battery storage, and can be connected to the power grid to provide electricity locally, rather than relying solely on large, centralized power plants.

## **PLANNING FOR THE CLEAN ENERGY FUTURE**

### **STATEWIDE SOLAR FOR ALL PROGRAM**

In May 2024, the Commission adopted a Statewide Solar for All program that significantly spurs the development of more

solar and retail energy storage projects in New York State. Going forward, the Statewide Solar for All program is administered by each of the investor-owned utilities that serve electric energy affordability program (EAP) customers. In addition, the Commission took action to improve New York's opt-in Community Distributed Generation (CDG) program.

The Statewide Solar for All program approved reduces costs to install solar power, increases operational efficiencies and provides equitable access to community solar. The initiative's focus on energy affordability fits within a balanced community solar policy by prioritizing benefits for low-income households and driving the growth of community solar. This initiative allows CDG storage projects to participate in the program, creating a simple offtake strategy that provides bill savings to low-income customers, all while providing meaningful benefits to the grid.

The Statewide Solar for All program's streamlined and cost-effective model combines two successful state programs — the utility-managed EAP and market-based community solar — to efficiently deliver clean energy savings to low-income households. The new program delivers an electric bill credit to EAP customers who reside in a disadvantaged community with the ultimate goal of delivering a minimum of \$40 in annual bill credits to more than 800,000 households once the program has fully matured. The actions taken support a long-term program design that drives community solar and storage growth and directs the benefits of that growth to New York State's low-income residents.

The program pools credits associated with renewable generation and distributes those credits on the bills of EAP customers. A robust community solar market offers low-income customers the opportunity to participate in both their EAP Solar for All program and an opt-in CDG project, affording low-income customers additional community solar savings on top of their EAP bill discounts.

Additionally, the Commission granted CDG developers the flexibility to offer up to three different savings rates to opt-in CDG subscribers. This action will not only grow New York State's solar industry, but allow for a greater number of households, including low-income households, to benefit from community solar projects across the state.

#### **CLIMATE CHANGE RESILIENCE PLANS**

In December 2024, the Commission approved with modifications the Climate Change Resilience Plans filed by New York's combined electric utilities. In its decision, the Commission directed the utilities to include resilience investments as part of ongoing and future rate case proceedings, provide more explicit process and design changes with respect to climate change projections, define engagement strategies for resilience measures that could impact telecommunication service providers, and include implementation- and outcome-based performance benchmarks for all resilience measures in future updates to the plans and upcoming progress reports.

These plans detail how each of the combined electric utilities incorporate climate change into planning, design, operations, and emergency response efforts. Incorporating climate change into existing

processes and practices help manage climate change risks and build resilience.

The Commission approved the resiliency plans of Central Hudson, Con Edison, Niagara Mohawk and O&R, and it directed New York State Electric & Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E) to file revised plans within 90 days. Adherence to such plans enable these electric utilities, and their electric service customers, to be better prepared to respond to and recover from extreme weather events and the impacts of climate change.

The Commission initiated the proceeding to implement requirements of legislation signed by Governor Kathy Hochul that requires electric utility corporations to 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, it is necessary for utilities to earnestly consider these impacts as part of their decision-making. Both the studies and the plans were made available for public review and input.

Each corporation must file an updated climate change resilience plan with the Commission for approval at least every five years.

#### **UTILITY THERMAL ENERGY NETWORKS RULES**

In July 2024, the Commission adopted initial Utility Thermal Energy Networks (UTENs) rules as required by the Utility Thermal Energy Network and Jobs Act of 2022. The Commission's action created fair market access rules for utility-owned

thermal energy networks to accept thermal energy; identified small-scale thermal energy networks that were exempt from Commission regulation at the time; promoted the training and transition of utility workers impacted by this act; and encouraged third-party participation and competition where it maximizes benefits to customers.

UTENs are expected to advance creative and innovative alternatives to decarbonize buildings across the State. UTENs present an opportunity for utilities to provide thermal energy to customers rather than relying on natural gas or other fossil fuels to meet their space heating and cooling, and domestic hot water needs. While there is much to learn and further actions will be needed to foster a fully functioning thermal energy market in New York, the Commission took the first steps in a regulatory framework to build towards that future.

As part of this process, and consistent with the act, the Commission directed the seven largest, investor-owned utilities — Con Edison, O&R, NYSEG, RG&E, National Grid, Brooklyn Union, KeySpan, Central Hudson, and National Fuel Gas — to initially submit at least one, and as many as five proposed pilot UTEN projects, with at least one such pilot project per utility service territory located in a disadvantaged community.

The act also required LIPA and its service provider to propose between one and five UTEN pilot projects. LIPA made a joint filing with Keyspan Gas East Corporation.

Twelve pilot projects, totaling \$880 million, are in development. Nine of these pilot projects advanced to the utility final

engineering designs and customer protection plans stage which resulted in filings that were released for public comment; Commission action is expected in 2025. The UTEN pilot projects are intended to test out various models to provide an equitable form of building electrification as opposed to individual electrification on a building-by-building basis. It is envisioned that these pilot projects will provide further insights and learning that can inform future Commission rules and regulation to support UTENs at scale.

Significantly reducing or eliminating greenhouse gas (GHG) emissions from the combustion of fuels in buildings is necessary to align with the Climate Leadership and Community Protection Act (Climate Act) as buildings are the largest source of GHG emissions in New York State, accounting for 32 percent of overall GHG emissions.

GHG emissions from buildings derive mostly from the on-site combustion of natural gas or other fossil fuels that provide New Yorkers with space heating, domestic hot water, and cooking. For this reason, it is essential that the transition away from fossil fuel use in New York's building stock be managed carefully and not compromise safe and reliable utility service.

In addition to creating the regulatory framework for thermal energy network, the Commission is working with the State Department of Labor to ensure the development of UTENs creates workforce opportunities. UTENs represent a chance to promote good jobs for New Yorkers in the expanding decarbonization sector as timely development of projects require access to well-trained, highly skilled tradespersons.

## **BROOKSIDE SOLAR, CHAMPLAIN HUDSON, HORSESHOE SOLAR, HERITAGE WIND, ALLE-CATT WIND**

In December 2024, the Commission approved important petitions for five major renewable energy projects. These wind, solar, and clean transmission facilities are an important part of the continuing effort of the Commission to spur the development of clean, renewable energy in New York State. The actions taken relate to the projects' development and the developers' economic viability.

These solar, wind, and transmission projects being built across New York are vital to meet the Climate Act's ambitious carbon reduction and clean energy targets to combat climate change. Each of these major projects benefit all New Yorkers by reducing reliance on fossil fuels, boosting clean-energy investment, creating clean energy jobs, and improving the environment.

The petitions approved relate to Alle-Catt Wind, a 340 MW wind farm in Allegany, Cattaraugus, and Wyoming counties that powers 134,000 average-sized homes; Brookside Solar, a 100-MW solar facility in Franklin County that power 16,500 homes; Champlain-Hudson Power Express, a 339-mile transmission line from Canada to New York City that brings 1,250 MW of clean hydroelectric power to more than 1 million homes; Horseshoe Solar, a 180-MW solar farm in Livingston County that powers 50,000 homes; and Heritage Wind, a 174-MW wind farm in Orleans County that powers 45,000 homes.

Taken together, these projects provide clean energy for more than 1.24 million average-sized homes and create significant economic

benefits for their host communities and New York State totaling more than \$3.6 billion:

- **Alle-Catt Wind:** The Commission approved petitions related to Alle-Catt Wind, including an Environmental Management and Construction Plan (EM&CP) for a 10.2-mile overhead 345 kV transmission line and compliance filings for the 340-MW wind farm, both approvals allowing for commencement of civil construction; and the third petition approving requested financing.
- **Brookside Solar:** The Commission granted a Certificate of Public Convenience and Necessity (CPCN) to enable construction of the Franklin County solar farm to begin.
- **Champlain Hudson:** The Commission approved petitions related to Champlain Hudson, including approving a change to the EM&CP which allows the developer to shift portions of the cable alignment to address comments from co-located infrastructure owners, and it approved construction plans for a short overhead transmission line in Astoria, Queens.
- **Horseshoe Solar:** The Commission approved the transfer of ownership interests of Horseshoe Solar to Forward Power.
- **Heritage Wind:** The Commission granted permission to enable construction of Heritage Wind to begin, and it granted a lightened regulatory regime to the Orleans County wind farm.

## NEW YORK STATE ELECTRIC & GAS CORPORATION AND ROCHESTER GAS AND ELECTRIC CORPORATION

In January 2025, the Commission directed two of the largest electric and gas corporations — NYSEG and RG&E — to implement various actions in the next three-years within the context of the companies' final long-term natural gas plan. Among other action items, the Commission directed the companies to propose pilot demand response programs, file a report on methods used to verify the maximum allowable operating pressure of impacted segments of pipe, and provide information to stakeholders and identify means of potentially decommissioning segments of infrastructure.

These gas planning procedures ensure gas utilities provide safe, adequate, and reliable service while striving to meet the State's greenhouse gas emissions reduction targets. Modernizing gas system planning is important so that local gas distribution companies' long-term plans are subjected to transparent review and ensure that they conform to State policies while ensuring that the gas utilities can continue to provide safe and adequate service.

Gas utilities in New York State are 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 the impact on greenhouse gas emissions. Each filing begins a stakeholder engagement process, aimed at developing a consensus long-term plan. Utilities are also required to provide annual updates to their long-term plans.

In this proceeding, the Commission engaged a consultant, Charles River Associates (CRA), to assist in staff's review. The companies modeled 10 scenarios, their reference case, and their long-term plan for each Company. CRA filed a series of three reports evaluating the long-term plan filings and stakeholder proposals. The Commission considered the reports of CRA as well as the input of numerous stakeholders, including AGREE, NYSERDA, Fossil Free Tompkins, Earth Justice, Sierra Club, NRDC, and the International Brotherhood of Electrical Workers.

The Commission directed the companies to provide additional information and reports, and propose pilot programs, to take steps toward decarbonizing the gas system in their service territories. To improve the process for the companies' next long-term plan filing, the Commission directed the companies to address staff and stakeholder recommendations in the next long-term plan filing in three years. The Commission also directed the companies to submit various reports and proposals over the next three years and to file their next long-term plan approximately three years after issuance of the order.

NYSEG, a subsidiary of Avangrid, serves approximately 905,000 electricity customers and 271,000 natural gas customers across more than 40 percent of upstate New York. RG&E, also a subsidiary of Avangrid, serves approximately 388,000 electricity customers and 321,000 natural gas customers in a nine-county region centered on the City of Rochester.

## NEW YORK STATE STANDARDIZED INTERCONNECTION REQUIREMENTS

In February 2025, the Commission made changes to the New York State Standardized Interconnection Requirements (SIRs) to allow alternatives to cash deposits for certain distribution upgrades, with some limited modifications.

New York completed the installation of 6 GW of distributed solar — a year ahead of the state’s 2025 target — and is ahead of schedule for reaching the expanded 10 GW distributed solar goal with almost 3.4 GW in development. New York State has been ranked number one in the solar market nationally over the last two years.

Allowing developers to use financial alternatives for certain interconnection milestone payments eliminate the burden of posting cash and enable developers to redeploy resources to develop additional distributed energy projects while providing the utilities appropriate financial security. The State is leading by example on distributed solar. The action follows other notable accomplishments that support the solar industry:

- The state has advanced a number of policies to support the development of a mature distributed solar market under the NY-Sun Program, value of distributed energy resources, or VDER value stack, and Statewide Solar for All while making progress towards the Department’s objectives.
- The state has worked with the solar industry to create clear requirements for any new distributed generation project to connect to the electric grid and continuously evaluates these rules to adapt to changes in policy and market dynamics.
- Since 1999, New York has had SIRs in place for distributed generators

and energy storage systems for developers and utilities for the interconnection of new projects, including rules governing the allocation of system upgrade costs to developers. In 2016, the state modified the rules, with industry support, to streamline the interconnection process.

- The Department and NYSEERDA also work to resolve any issues that arise with utility interconnection with the utilities and industry through the distributed generation ombudsperson program.
- Additionally, the Commission established a nation-leading practice by creating two stakeholder working groups where developers and utilities can propose amendments to Standardized Interconnection Requirements, or SIRs, through a collaborative process and make recommendations for improvements to the Commission.
- During Governor Hochul’s administration, with the solar industry’s support, the Commission implemented new rules for sharing the costs of infrastructure upgrades required for interconnection. These rules significantly reduce up-front cost to all projects that share in the need for an upgrade.
- Also in 2024, the Commission supported the industry in affirming the validity of interconnection agreements signed pursuant to the SIRs when it denied National Grid’s request to charge a group of developers for upgrade costs identified after interconnection agreements were executed.

- Further, following the directive in the Renewable Action through Project Interconnection and Deployment Act, or RAPID Act, Act in last year's budget enacted by Governor Hochul, the Department initiated a proceeding to investigate alleged delays in the SIRs interconnection process and recently expanded the proceeding to improve the accuracy of utilities' cost estimating practices.

## MAJOR RATE CASE DECISIONS

A key role of the Commission and the Department is to review rate cases and, through this process, deliver rates that strike a balance between affordability, reliability, and safety. In the past year, the Commission decided five major electric, gas, and water utility rate cases, adopting rates well below what utilities initially sought and thereby avoiding approximately \$437 million of cost to ratepayers.

The rate case process is only one piece of the Commission and the Department's work to advance energy affordability. The Commission and Department are committed to pursuing the goal that New York households should not pay more than 6 percent of their income toward energy costs.

### VEOLIA WATER NEW YORK INC.

In May 2024, the Commission adopted the terms of a joint proposal, subject to minor modifications, that established a four-year rate plan from February 1, 2024, to December 31, 2027, for the more than 120,000 customers of Veolia Water New York Inc. (Veolia), which serves parts of Rockland, Orange, Westchester, Putnam,

and Tioga counties, and substantially lowered the company's initially requested rate increase.

With the four-year plan, the company can continue to provide its customers with clean, safe water. Adoption of the rate plan ensured critical investments are made and ensured the continued provision of safe and adequate water service.

In its decision, the Commission substantially adopted the terms of a joint proposal signed by Veolia and the Department trial staff, the Rockland Business Association, and Laborers' Local 754. The Public Utilities Law Project, Inc., and jointly the City of Rye, the Village of Port Chester, and the Village of Rye Brook supported the joint proposal in part.

The company initially proposed to increase its delivery revenues by approximately \$18.4 million, or 14.1 percent, in Orange and Rockland counties, and by \$14.1 million, or 16.8 percent, in the Westchester district, for a total of \$32.5 million in the first year. The joint proposal that was adopted allows for a first-year overall rate increase of just \$13.6 million, or 58 percent less than the original request.

The adopted joint proposal included a New York Rate District, which includes the customers of the former SUEZ Water New York, Forest Park, SUEZ Water Owego-Nichols, and Heritage Hills districts, and a Westchester Rate District, which includes the customers of the former SUEZ Water Westchester district. In the New York Rate District, levelized revenue increases for the first through the fourth year be \$8.7 million, \$9.3 million, \$9.9 million, and \$9.7 million, respectively, equating to a 6.7 percent increase in each rate year. In the

Westchester Rate District, levelized revenue increases for the first through the fourth year \$5 million, \$5.3 million, \$5.6 million, and \$5.4 million, respectively, equating to a 5.9 percent increase in each rate year.

The drivers of the rate increase include capital improvements, chemical and energy costs, purchased water costs, and increased water treatment costs associated with new water quality regulations. The rate plan also creates a low-income discount program for water — the first of its kind in New York State for a private water company.

To ensure the public was heard during the ratemaking process, the Commission held six public comment hearings and received well over 250 public comments. Veolia provides drinking water and water for fire protection to approximately 122,500 customers in Rockland, Orange, Westchester, Tioga, and Putnam counties.

#### **KEYSPAN GAS EAST CORP. AND BROOKLYN UNION GAS CO.**

In August 2024, The Commission established a three-year gas rate plan for customers of KeySpan Gas East Corp. and Brooklyn Union, both subsidiaries of National Grid. The two utilities serve approximately 1.9 million gas customers in parts of Brooklyn, Queens, Staten Island, and Long Island and the Rockaway Peninsula.

The Commission adopted the terms of a joint proposal for three-year gas rate plans for Brooklyn Union and KeySpan, inclusive of the disposition of a sales tax refund of \$3.135 million that be deferred for customer benefit. The joint proposal was signed by the companies, Department staff, the City of New York, and the Environmental Defense Fund.

The two utilities' initial filing sought a combined \$642 million revenue increase in the first year. Instead of granting the full amount, the Commission approved a first-year delivery revenue increase of \$404 million, a 37 percent reduction to the companies' initial request.

For Brooklyn Union, the joint proposal establishes a levelized revenue increase of \$256.9 million in the first year, \$287.5 million in the second year, and \$320.1 million in the third year. On a total bill basis for a typical residential heating customer (using 83 therms per month), the results yield total bill increases of 19.4 percent effective September 1, 2024, 5.1 percent effective April 1, 2025, and 11.1 percent effective April 1, 2026.

For KeySpan, the joint proposal establishes a levelized revenue increase of \$147.1 million in the first year, \$163.1 million in the second year, and \$180.4 million in the third year. On a total bill basis for a typical residential heating customer (using 83 therms per month), the results yield total bill increases of 22.3 percent effective September 1, 2024, 4.4 percent effective April 1, 2025, and 9.7 percent effective April 1, 2026.

Importantly, the approved agreement contains several customer service initiatives, energy efficiency measures, energy affordability provisions, and gas safety and customer service performance metrics. It encourages the companies to pursue non-pipeline alternatives and includes funding for renewable natural gas interconnections.

The significant reduction in the rate increase requested by the companies was made possible by the transparent and thorough review of all cost drivers by Department

staff and other parties. In developing this decision, the Commission reviewed a detailed record that included the testimony of parties, and well over 2,100 public comments received, both directly and at the nine public statement hearings that were held.

#### **ORANGE AND ROCKLAND UTILITIES, INC.**

On March 2025, the Commission adopted a three-year rate plan for electric and natural gas service provided by O&R that keep the utility's electric revenue flat for the first year. The three-year rate plan was supported by the company, staff of the Department, and the Department of State's Utility Intervention Unit. O&R serves about 233,000 residential and commercial electric customers in southeastern New York State and 140,000 natural gas customers in its New York territory.

With this three-year rate plan, the company will be able to continue to provide its customers safe and reliable electric and natural gas service, as well as continuing to develop a cleaner energy distribution system. Adoption of this rate plan ensures critical investments are made for the continuation of safe and reliable service.

Instead of granting the full amount, the Commission importantly adopted no increase in revenues for the first year for electric, significantly less than the \$18.1 million the company originally requested, and it adopted a first year levelized gas increase of only \$10.5 million, nearly 30 percent less than the \$14.4 million originally requested.

For electric, the joint proposal established shaped revenue increases over the three-year rate plan of \$0 in the first-rate year and \$17.7 million increase in each of the second-

and third-rate years. For gas, the joint proposal established shaped revenue increases over the three-year rate plan of \$10.5 million in each rate year. On a total revenue basis, these results yield increases of 0 percent, 2.3 percent, and 2.3 percent for electric and 3.4 percent, 3.3 percent and 3.1 percent increases for gas.

O&R initially requested an increase in annual electric delivery revenues of approximately \$18.1 million (7.3 percent increase in delivery revenue, or 3.7 percent increase in total revenues), for the rate year ending December 31, 2025. The requested increase in electric delivery revenues would have resulted in a monthly bill increase of \$8.81 (9.3 percent increase on the delivery bill, 6 percent increase on the total bill) for a residential customer using 600 kWh per month if O&R's initial request was approved.

Further, O&R initially requested an increase in annual natural gas delivery revenues of approximately \$14.4 million (11 percent increase in delivery revenues, or 6.3 percent increase in total revenues), for the rate year ending December 31, 2025. The requested increase in gas delivery revenues would have resulted in a monthly bill increase of \$12.73 (11.9 percent increase on the delivery bill, 8.1 percent increase on total bill) for a residential gas heating customer using 100 centum cubic feet (ccf) per month.

As noted above, the joint proposal approved by the Commission lowered the first-year revenue request by the utility. However, due to the expiration of credits used to temporarily reduce the revenue O&R collected from customers and for the recovery of revenue not collected due to the new rates not going into effect January 1, 2025, typical residential electric customers

experienced bill increases of 4.6 percent, 3.3 percent and 3.5 percent, and typical residential gas heating customers experienced bill increases of 10.9 percent, 3.5 percent, and 3.8 percent.

The company began billing the new rates effective April 1, 2025.

In addition to lowering the requested rate increase, the joint proposal includes key elements that provide funding for programs to ensure that the company continue to provide safe and reliable electric and gas service, while increasing its resiliency efforts, increasing its funding for responding to damage caused by major storm events, and replacing and updating aging infrastructure. The approved rate plan also includes funding for programs and projects designed to support beneficial electrification, distributed energy resources, and the development of large-scale renewables and energy storage.

The Commission was able to substantially reduce O&R's request through the transparent and comprehensive review of all cost drivers by Department staff and other parties. In evaluating the appropriateness of the joint proposal, the Commission also examined a voluminous record, including testimony of the parties and more than 60 public comments, received both directly and at the three public statement hearings that were conducted.

### **NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

In December 2024, the Commission adopted a three-year rate plan for gas service provided by National Fuel Gas Distribution Corporation (NFG). The three-year rate plan was supported by the company, the Department, a group representing large

commercial customers, the International Brotherhood of Electrical Workers (IBEW) Local Union 2199, and IBEW Local Union 2154. NFG serves about 527,000 residential and commercial customers in 14 Western New York counties.

With this three-year rate plan, the company will be able to continue to provide its customers safe and reliable gas service, as well as continuing to work on developing a cleaner energy distribution system. Adoption of this rate plan ensures critical investments are made for the continuation of safe and reliable service.

NFG initially requested a first-year increase in annual gas delivery revenues of approximately \$88.8 million (30.8 percent increase in base delivery revenues or 11.1 percent increase in total revenues) for the 12-month period ending September 30, 2025. Instead of granting the full amount, the Commission adopted a first year levelized increase of only \$37.1 million, less than half of what the company originally requested.

Had NFG's requested first-year rate increase been approved, an average residential heating customer would have seen their total monthly bill increase by \$11.31, a rise of 13.7 percent. With the decision, in the first-rate year, an average residential heating customer's total monthly bill to \$6.57, or 8 percent, to \$89.24. The company began billing the new rates January 1, 2025.

In addition to lowering the rate increase, key elements of the Commission's decision included the reopening of three walk-in customer service centers in Buffalo, Cheektowaga and Jamestown; language assistance for non-English speaking customers; the establishment of gas safety and customer service performance metrics; the formalization of cold weather

protections for residential customers; and enhancement of the company's energy affordability program. The Commission's decision incorporated provisions to further the goals and targets in support of the Climate Act through removal of leak-prone pipe, expansion of NFG's residential methane detection program, the assessment of non-pipes alternatives, and modifications to the economic development programs and energy efficiency measures.

The Commission substantially reduced NFG's request through the transparent and comprehensive review of all cost drivers by Department staff and other parties. The Commission also examined a voluminous record, including testimony of the parties and 379 public comments, received both directly and at the four public statement hearings that were conducted.

NFG had operated under a Commission-approved rate plan since 2017, making this the first rate proceeding for the company in seven years. The approved three-year rate plan authorized levelized revenue increases of \$37.1 million in the first year, \$35.7 million in the second year, and \$36.5 million in the third year.

#### **LIBERTY UTILITIES CORP.**

In August 2024, the Commission established a three-year water rate plan for customers of Liberty (New York Water) Utilities Corp. (Liberty) across its two service territories. The company serves approximately 125,000 water customers in several towns, mainly in the Town of Hempstead, the Village of Sea Cliff, the Hamlet of Massapequa on Long Island, and in the lower Mid-Hudson region.

With this three-year plan, the company continues to provide its customers with clean, safe water and to save money by promoting and encouraging conservation and reducing leakage. Adoption of the rate

plan ensures critical investments that are good for the rates customers and good for their assurance of safe and adequate service.

The adopted joint proposal established a three-year rate plan for water service provided by Liberty across its two service areas. Service area 1 is primarily in the Town of Hempstead, with about 3 percent in several disconnected water districts in the Hudson Valley. The service territory includes, among others, the following water supply districts: Beaver Dam Lake, Cambridge, Dykeer, Hoey-DeGraw, Kingsvale, Mt. Ebo, Waccubuc, West Branch Acres and Wild Oaks Districts, and portions of Long Island. Service area 2 consists of water supply districts serving the Hamlets of Merrick and Massapequa and the Village of Sea Cliff on Long Island.

In service area 1, the levelized revenue increases for the first, second and third years will be \$13.7 million, respectively, equating to a 17 percent increase of revenue in the first year, a 15 percent increase in the second year and a 13 percent increase in the third year. In service area 2, the levelized revenue increases for the first, second and third years will be \$3.5 million, \$1.8 million, and \$1.8 million, respectively, equating to a 9.2 percent increase of revenue in the first year, a 4.5 percent increase in second year, and a 4.5 percent increase in the third year.

The new rates went into effect September 1, 2024. The new rate plan will be effective through March 31, 2027. Depending on the service area, a typical residential customer using 8,000 gallons of water per month pays between \$54.51 to \$87.32 in the first year. Long Island property taxes are one of the top three drivers for the rate increase in service

area 1, after infrastructure and operating and maintenance costs.

The water utility initially sought a \$39.7 million revenue increase in the first year across both service territories. Instead of granting the full amount, the Commission approved a first-year delivery revenue increase of \$17.24 million across both service territories, a 56 percent decrease.

The potential for municipalization of at least part of Liberty’s system remains on the table. On March 29, 2021, staff issued a report saying that municipalization was both feasible and in the public interest. On November 3, 2021, Governor Hochul signed legislation that established the North Shore Water Authority and the South Nassau Water Authority for the purpose of enabling the municipalization of parts of the water system. The next steps toward municipalization rests with local officials.

The approved agreement included health and safety provisions related to lead service line replacement and the funding of capital programs pertaining to the water system, implemented a customer assistance program and an arrears management program to address affordability concerns for low-income customers. The approved agreement also included performance incentives, an earnings-sharing mechanism, and customer service provisions implementing a pilot email customer satisfaction survey, as well as requiring an enhanced customer communications process.

Further, the approved agreement authorized the company to implement its enhanced water conservation program, which includes water usage audits and rebates related to water saving actions, customer outreach regarding the program, annual reports to

monitor participation and costs, and requires Liberty to take various actions related to climate change and the environment.

The significant reduction in the rate increase requested by the company was made possible by the transparent and thorough review of all cost drivers by staff and other parties. In developing this decision, the Commission reviewed a detailed record that included the testimony of parties, and over 160 public comments received, both directly and at three public statement hearings.

### **CENTRAL HUDSON GAS & ELECTRIC CORPORATION**

In July 2024, The Commission established electric and gas rate plans for Central Hudson for the period starting July 1, 2024 and ending June 30, 2025. 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. 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.

The plan adopted benefited customers and included provisions that further important State and Commission objectives. Central Hudson is required to pursue important energy-efficiency initiatives among other progressive policies, to advance the goals of New York State’s nation-leading climate change targets, while mitigating bill impacts for low-income customers, as part of New York’s energy affordability policy.

Central Hudson’s initial filing sought a \$139.5 million electric revenue increase and a \$41.5 million gas revenue increase. Instead of granting the full amount, the Commission

approved an electric delivery revenue increase of \$58 million (5.5 percent increase in total revenues) and a gas delivery revenue increase of \$21.2 million (7.3 percent increase in total revenues). The total increase approved for electric and gas companies was \$79.3 million, well under the \$181 million originally sought.

In addition to cutting unnecessary costs, to further moderate rates, the Commission applied regulatory assets of \$13.1 million to the electric revenue requirement and \$5.3 million to the gas revenue requirement. Additionally, the Commission adopted the terms and conditions of a settlement agreement in the combined prudence and enforcement proceeding, resulting in, among other things, an additional \$4 million of shareholder funds held in a customer benefit fund, which was applied to further moderate rates.

The electric and gas revenue increases of 5.5 percent and 7.3 percent, respectively, is substantially lower than the increases sought by the company. If the company's original proposal was granted, Central Hudson's total revenues would have increased by 13.3 percent for electric and 14.2 percent for gas.

The significant reduction in the rate increase requested by the company was made possible by the transparent and thorough review of all cost drivers by staff and other parties. In developing this decision, the Commission reviewed a detailed record that included the testimony of parties, the judges' recommended decision, and well over 400 public comments received, both directly and at the eight public statement hearings that were held. Notably, the Commission's decision did not set aside any ratepayer money for executive variable compensation because Central Hudson's

senior management had not set an expectation of continuous improvement in the utility's performance over the period in question. Another highlight of the decision was that Central Hudson's shareholders pay all costs to implement monthly meter readings.

## IMPROVING UTILITY PERFORMANCE AND RELIABILITY

The Department plays a significant role in improving the performance and reliability of electric and gas service, safety and customer service in New York State through various regulatory, oversight, and policy initiatives.

In October 2024, the Commission announced that the state's utilities have adequate supplies of natural gas and electricity on hand to meet the demands of residential and commercial customers in New York State. Meanwhile, electricity bills were expected to be down from last winter, while gas bills were expected to be slightly higher.

The utilities hedged approximately 70 percent of their estimated statewide full service electric residential energy needs to mitigate any electric market price swings.

Data indicated slightly lower forecasted commodity prices, coupled with a normal weather forecast and increased delivery rates for several gas utilities for this winter, customer bills were expected to be higher than last year, on average. Customers may have seen varying price levels based on their service territory and the actual weather. In addition to individual usage, staff expected the average full-service residential electric

commodity bills be similar to last winter. Discounts for low-income households under the Commission's Energy Affordability Program increased to address the higher prices.

Department outreach efforts provided consumers with information on available resources, ways to mitigate energy costs, measures to reduce energy consumption, bill management options, and financial assistance programs. Staff also worked with the state's energy utilities to ensure they maintained strong communication with customers about the companies' winter preparedness efforts.

### **SUMMER DEMAND FOR ELECTRICITY**

In May 2024, the Commission announced that New York's electric grid and its electric utilities were prepared for increased summer demand for electricity. Additionally, the price for electricity paid by full-service residential customers on average was expected to be lower than a year previous, depending on the customer's location, demand and actual market prices. The Commission also discussed the extreme heat event protections the utilities have adopted over recent years.

Most of New York was expected to experience lower energy prices than the previous year, which was good news for residential and business customers. The Department continues making investments in energy efficiency and the clean-energy grid that help us all combat climate change and further stabilize energy prices long term.

The statewide average supply costs for full service residential customers in the summer (June to September) were expected to be \$207.88, down nearly 3 percent from \$231.95 a year previous. Total actual

summer supply costs vary depending on the region of the State and individual usage.

In the summer of 2013, New York State set a record peak demand of 33,955 MW. Peak demand in the summer of 2024 was forecasted to be 31,541 MW, slightly higher than the previous year's actual peak of 30,206 MW.

The installed generating capacity for 2024 totals 36,990 MW, combining the installed generation capacity with other resources provided New York with a total of 40,733 MW worth of capacity resources for 2024, well above the expected need.

Thanks to energy efficiency and system improvements, peak forecasts for the coming years remain relatively flat. By 2034, the combined effect of the energy efficiency and demand reduction programs are projected to help lower the peak demand by 6,436 MW. A 2,000 MW decrease in peak demand is the equivalent of the electricity generated by several large power plants, enough to supply approximately 1.75 million average-size homes. Reducing the amount of electricity that's consumed daily and during the hottest days of summer provides significant benefits to consumers and the environment.

To further help curb peak energy system demands, each of the utilities have load relief programs in which customers are compensated for providing load reductions when called upon. There were more than 1,293 MW in these programs for 2024 to further facilitate peak demand reductions during the summer's hottest days. The Commission and other State agencies have very active programs designed to reduce the impact of high utility bills on low-income customers.

The Commission noted that the State’s major utilities temporarily forego shutoffs for non-payment of bills during what the federal Centers for Disease Control calls periods where it is much hotter and more humid than normal for the place and time at which such dangerous weather occurs. The extreme heat protections help protect seniors, children, low-income New Yorkers, pregnant women, and those with chronic health conditions from heat stroke and other heat related illnesses, thereby averting preventable hospitalizations and deaths.

### ANNUAL REVIEW OF ELECTRIC RELIABILITY PERFORMANCE

In June 2024, the Commission reviewed the State’s major utilities in terms of their performance in several key areas for 2023, including electric reliability service, electric safety, and gas safety.

The Commission’s rate design provides carrots and sticks based on utility performance. The Commission continues to aggressively work with utilities to improve their performance. Maintaining reliability and safety is a requirement for utilities, and the Commission holds them accountable when they fail to meet standards.

**Electric Reliability:** Department staff completed its annual review of the electric service reliability performance of electric utilities and presented its report for 2023 to the Commission. 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). Excluding major storms, the statewide interruption frequency for 2023 was 0.58. This is 9 percent better than the

previous year and 9 percent better than the statewide five-year average. The statewide interruption duration for 2023, excluding major storms, was 1.92 hours. This is 1.2 minutes longer than last year but 3 minutes shorter than the five-year average. The State experienced 27 separate storm events that qualified as major storms in 2023.

Customers affected by major storms decreased by 34 percent compared to 2022, and customer hours of interruption from major storms decreased by 56 percent compared to 2022. Reliability Performance Mechanisms (RPMs) 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) exceeded its RPM target for frequency. As a result, NYSEG incurred a negative revenue adjustment, or penalty, of \$3.5 million. All other electric utilities met their RPM targets in 2023.

**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, among other requirements, stray voltage testing of streetlights and electric facilities that are accessible to the public. In 2023, manual stray voltage testing was performed on approximately one million utility facilities statewide, resulting in the identification of 178 stray voltage conditions; of which 117 (66 percent) were at potentially dangerous voltage levels of 4.5V or higher. The overall total of stray voltage findings increased 34 percent from the 2022 level with the total number of findings above 4.5V increasing

by 15 percent, and the number of all stray voltage findings amounting to 0.015 percent of all facilities tested. All utilities were in full compliance with all testing and inspection requirements in 2023.

**Gas Safety:** Department staff evaluated critical areas of gas safety, including damage prevention, emergency response, leak management, and compliance with the minimum gas safety regulations identified through staff’s audit process. Overall, the data indicated that performance substantially improved for the utilities across the State over the 21-year period staff has been reporting performance. The utilities have maintained focus on these performance measures which ensured the same, if not a greater level of public safety. The first measure, damage prevention, gauges the utilities’ achievement in minimizing damages to buried gas facilities caused by excavation or demolition activities. In 2023, the data showed a decrease in the number of one-call tickets and in the number of total damages. 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 that were responded to within three response time intervals. In 2023, the utilities’ performance for each interval improved slightly and each interval far exceeded the established minimum percentages. The third measure, leak management, examined the utilities’ performance related to their leak inventories, in addition to evaluation of leaks discovered and leaks repaired. In general, all utilities have demonstrated improvement in this measure over the past several years. The fourth measure, compliance with the minimum gas safety regulations, identifies violations through staff’s audits and

investigations of the utilities. In summary, as utilities continue their outreach and education efforts to excavator communities as well as the public, adopt better practices in responding to leak, odor, and emergency reports, work to remove leak-prone infrastructure, and as quality assurance and quality control programs continue to mature, staff expects further performance improvements occur.

### STATE’S COMMUNITY CHOICE AGGREGATION

In November 2024, the Commission adopted enhancements to the State’s CCA program’s outreach and education requirements. The CCA program is intended to provide more attractive energy supply terms through the bargaining power that aggregation provides, the expertise provided by municipal or consultant experts, and the competitive public process for choosing an ESCO supplier. The CCA construct also provides local governments the opportunity to engage with their residents and businesses on critical energy issues and to develop innovative programs, products, and services that promote and advance the achievement of the state’s energy goals.

The Commission remains interested in allowing CCA programs to provide more local control of energy supply sources and price, so long as consumers benefit, and statewide policy goals are advanced. As the Commission continues to review the outcomes achieved by CCAs in terms of price, customer participation in clean energy programs, and renewable energy procurements, the Commission ensures consumers have information about the CCA program and understand how to opt out if they wish.

The expansion of the outreach and education requirements approved ensured that an appropriate and effective level of Administrator engagement was conducted within a CCA municipality prior to the start of the municipality's out-opt CCA program. The changes included increasing community awareness and community engagement, lengthening the outreach and education period, increasing the minimum number of outreach and education actions necessary, clarifying the rules around the exchange of CCA related data, and ensuring municipalities acknowledge their legal and program requirements.

The Commission also directed Department staff to work with NYSEDA to obtain a third-party consultant to conduct an extensive evaluation of the CCA program to assess the benefits and effectiveness of the program's policies and goals. The program evaluation informs the Commission as it considers whether the opt-out CCA program serves the public interest of mass market customers in New York State.

#### **MID-HUDSON ENERGY TRANSITION, INC. AND POWERMARKET**

In January 2025, the Commission approved two companies — Mid-Hudson Energy Transition, Inc. (MHET) and PowerMarket — to be authorized as Community Choice Aggregators or CCA administrators in New York State. Authorizing new CCA administrators in New York is beneficial because it increases competition in the State's CCA market, potentially leading to lower energy costs, improved customer engagement, and encourages innovation and differentiation. It could also provide communities with more awareness, transparency, and accountability, while promoting additional energy-related products and services that assist

communities in meeting its clean energy goals.

#### **UTILITY MANAGEMENT COMPENSATION AUDIT**

In February 2025, the Commission initiated a comprehensive review of utility management compensation. This audit follows years of work by the Department to examine utility management structures and seeks to align utility priorities with State objectives, including affordability, reliability, safety, and a cleaner environment.

The audit focuses on compensation for non-union utility management employees statewide and the results inform future rate cases to protect New Yorkers from unfair rate hikes. Numerous recent management and operations audits of large, investor-owned electric and gas utilities have highlighted meaningful concerns with how utilities administer their programs.

Management compensation is a reflection of a company's values, and the Commission expects utility values to be focused on providing quality, affordable service to ratepayers.

The audit examines compensation practices at 13 major utilities, including Con Edison, National Grid, Central Hudson, NYSEG, RG&E, and Veolia Water New York. Investor-owned electric and gas utilities have a total of 12.4 million customers in New York State. Findings from the audit will influence future rate cases, providing the Commission with insights into best practices and potential cost-saving measures.

## **NORTHLAND CORRIDOR REDEVELOPMENT PROJECT**

In March 2025, the Commission granted a Certificate of Public Convenience and Need for an on-site electric distribution substation at the Northland Corridor Redevelopment Project. The certificate provided the go ahead for the important economic development project being built by Buffalo Urban Development Corporation and NorDel II, LLC.

The numerous public benefits of the project have been repeatedly recognized at various levels of federal, state, and local government. Improving the substation provides significant public benefits, such as avoiding the financial burden and environmental risks of duplicating electric utility facilities to serve the Northland Corridor Redevelopment Project. It also helps establish a state-of-the-art hub campus for workforce training and advanced manufacturing, which encourage new economic opportunities in the region.

In its decision, the Commission determined that granting a Certificate for the ownership, operation, and upgrade of an electric distribution substation at 644 Northland Avenue that is part of its Northland project in Buffalo, is in the public interest. As stated in the submitted petition, certain grant funding tied to the Northland project requires the completion of construction within 48 months of the award date.

In April 2022, Governor Kathy Hochul announced that \$55 million would be made available for Phases 3 and 4 of redevelopment of the project. This next phase of development in the Northland Corridor builds upon prior phases of investment in the campus and involves the

rehabilitation of existing buildings, as well as the demolition and new construction at 631 Northland Avenue, 777 Northland Avenue, 741 Northland Avenue, and 537 E. Delavan in Buffalo, Erie County. Phase 4 is projected to result in approximately 250,000 square feet of new commercial, manufacturing, and community spaces. Phase 4 of redevelopment is occurring concurrently with the Phase 3 redevelopment.

The existing 2.5 MW substation serves the 683 Northland Avenue building, which is located across the street from the substation and is owned by BUDC's subsidiary 683 Northland LLC. As part of the Phase 3 project, it is anticipated that the "B" Building at 612 Northland Avenue and 537/541 E. Delavan Avenue will be connected to and powered from the substation.

As part of Phase 3 redevelopment, the scope of work for the substation entails installing and constructing new equipment to expand the substation's capacity from 2.5 MW to 7 MW. Two 23 kilovolt feeders be extended from National Grid's substation at E. Delevan Avenue, tied into new switchgear and transformers. Once the new equipment is installed, the existing substation equipment will be de-energized and removed from the site. New electric service established underground for adjacent properties at 612 Northland Avenue and 541 E. Delavan Avenue. Tenants are metered downstream of the primary meter at the substation.

## **ENERGY STORAGE ROADMAP**

In June 2024, Governor Hochul announced that the Commission had approved a new Energy Storage Roadmap (Roadmap) for the

state to achieve a nation-leading six GW of energy storage by 2030, which represents approximately 20 percent of the peak electricity load of New York State. The Roadmap is a comprehensive set of recommendations to expand New York's energy storage programs to cost-effectively unlock the rapid growth of renewable energy across the state and bolster grid reliability and customer resilience. The six GW goal established in the Roadmap and adopted by the Commission in its 2024 energy storage order, was divided to ensure adoption across the retail, residential, and bulk energy storage sectors.

The 6 GW Roadmap supports a buildout of storage deployments estimated to reduce projected statewide electric system costs by nearly \$2 billion, in addition to further benefits in the form of improved public health because of reduced exposure to harmful fossil fuel pollutants.

The Roadmap is a comprehensive set of recommendations to expand New York's energy storage programs to cost effectively unlock the rapid growth of renewable energy across the state and bolster grid reliability and customer resilience.

The Roadmap kicked off programs toward procuring an additional 4.7 GW of new storage projects across the bulk (large-scale), retail (community, commercial and industrial), and residential energy storage sectors in New York State. These future procurements, combined with the 1.3 GW of existing energy storage being procured or already under contract with the state and moving toward commercial operation, will allow the state to achieve the six GW goal by 2030.

Energy storage plays a critical role in supporting New York's zero-emission electric grid by enabling the integration of large quantities of renewable energy, helping to smooth generation, reduce curtailment, and shift renewable generation to where and when it is needed most. As of April 1, 2024, New York had awarded about \$200 million to support approximately 396 MW of operating energy storage projects in the state. There were more than 581 MW of additional energy storage projects under contract and moving toward commercial operation. NYSERDA continued to offer incentives for an additional 323 MW under the existing program, to reach the current 1.3 GW program total.

As New York electrifies buildings, transportation and industrial end uses, accelerating energy storage deployment provides a flexible solution to help meet these additional demands on the grid and support the retirement of downstate fossil fuel generators near their end of life.

### **BULK ENERGY STORAGE PROGRAM**

In March 2025, the Commission approved, with modifications, the draft Bulk Energy Storage Program Implementation Plan, filed by NYSERDA. Specifically, the Commission directed NYSERDA to modify the implementation plan to include minimum maturity requirements, include uniform efficiency factors and to submit a proposal for calculating prices for multi-day energy storage resources, while also allowing for the participation of two-hour resources.

### **ELECTRIC EMERGENCY RESPONSE PLANS**

In March 2025, the Commission approved the Electric Emergency Response Plans

(ERPs) for the state’s major electric utility companies. The Commission also directed each electric utility to file its approved plan with the county executive, the chief elected official of a county for each county within its service territory, or the emergency management office of the City of New York as required.

Throughout 2024, as part of utility performance reviews following significant storms and other events impacting the utilities’ infrastructure and/or customers, the utilities’ preparedness and response actions were compared with procedures within the emergency response plans. The amended emergency response plans are the result of multiple review cycles and reflect compliance with best practices identified via joint utility collaboration and previous Commission directives.

Annually, each investor-owned electric utility in New York — Con Edison, Central Hudson, NYSEG, RGE, National Grid, and O&R, along with PSEG LI — is required to review, update, and file a detailed ERP, documenting the essential processes and procedures needed to prepare and respond to a wide array of outage events.

The Department staff performed a detailed review of each utility's ERP to verify that they complied with requirements to address operational guidelines as well as proper communication with customers, emergency management and government officials. The Commission reviewed the utilities' amended filings and determined that the changes made to the ERPs were satisfactory. The approved 2025 ERPs continue to maintain the practices and procedures required to respond safely and effectively to emergency electric outages.

The process for the utilities to submit documentation attesting to and/or providing

evidence of the completion of certain annual or semi-annual required activities, such as Life Support Equipment Customer Certification, Outage Management System (OMS) Testing, and Annual Exercise Performance, have been standardized.

OMS testing ensures the utilities’ outage management system can perform its function during large-scale outage events via a simulated environment. The requirements for OMS Stress Testing have been standardized so that the utilities are required to test the same minimum set of functions and utilize consistent actions following the results of each test. The ERPs now reflect this consistent standard.

## **AFFORDABILITY**

The Department fielded more than 42,000 consumer complaint calls, handled approximately 20,000 consumer inquiries and complaints, and returned nearly \$13 million in utility consumer refunds, an increase of 75 percent from 2023.

In 2024, the Commission levied \$23.5 million in financial penalties against five utilities for failing to meet 2023 customer service standards. The Commission also secured \$115 million cumulatively from utility shareholders in enforcement proceedings against utilities that violated the Public Service Law, or regulations.

In the 2025 State of the State, the Governor proposed closing a loophole that does not obligate Energy Service Companies to return unclaimed funds to New Yorkers.

## **ENERGY AFFORDABILITY GUARANTEE PILOT PROGRAM**

In August 2024, the Commission approved the implementation of the Energy

Affordability Guarantee pilot program. The Commission’s decision provides a plan for the design and implementation of an energy affordability pilot program for low-income households who fully electrify their space and water heating through the EmPower+ program. This pilot program provides approximately 1,000 EmPower+ program participants with tailored bill assistance to ensure they pay no more than six percent of their annual household income toward electricity costs.

The energy affordability guarantee was first outlined by Governor Hochul in her 2023 State of the State. Funding for the multi-year pilot program is provided through a \$50 million appropriation in the FY2025 State Budget.

To be eligible for the guarantee, the customer’s home must meet the income eligibility standard for low-income programs, which is set at annual household income equal to or lower than 60 percent of the State Median Income; and the customer must also be electrified through the EmPower+ program. The EmPower+ program, administered by NYSERDA, provides no-cost and subsidized energy efficiency and clean energy upgrades for low-to-moderate income households.

The guarantee builds on several other policies and programs in place to address energy affordability and clean energy solutions for low-income customers. First, the Commission has a longstanding energy affordability policy established in 2016, which set a goal for low-income customers to pay no more than 6 percent of their annual household income toward energy bills. The utility energy affordability program, which is administered by the major electric and gas utilities, provides low-income customers with bill payment assistance through monthly tiered discounts. Additionally, the Statewide low- to

moderate-income portfolio represents nearly \$170 million of energy efficiency initiatives directed at income-eligible households to improve access to clean energy solutions on an annual basis from 2020 through 2025.

Governor Hochul is dedicated to providing New Yorkers with the financial resources to invest in energy efficient opportunities for their households. This effort is a game-changer for low-income families, to seek to balance the equally important goals of decarbonizing housing stock, while advancing energy affordability for low-income customers.

The Commission expects the pilot program to fill in important information gaps regarding the electrification of low-income households such as the incremental electricity consumption and cost associated with operating heat pumps across different customer and housing profiles, while mitigating energy burden increases. These insights inform broader strategies to promote the decarbonization of the housing sector while prioritizing energy affordability and consumer protections for the most vulnerable New Yorkers.

### **RENEWABLE ENERGY ACCESS AND COMMUNITY HELP PROGRAM**

In October 2024, the Commission approved a request by the New York Power Authority (NYPA) to establish the Renewable Energy Access and Community Help (REACH) program to provide electric bill credits for low-income households in disadvantaged communities across the state. The program stemmed from NYPA’s expanded authority to develop, own and operate renewable energy generating projects—either alone or in collaboration with other entities—granted in last year’s State Budget.

Authorizing the implementation of the REACH program allows NYPA to make progress toward the State's clean energy

goals and ensures low-income customers in disadvantaged communities have access to renewable energy and directly benefit from NYPA's new program.

To align with the implementation of the Statewide Solar for All program, the Commission directed that the electric utilities initially enroll EAP eligible low-income customers within disadvantaged communities, and as more resources come online, expand enrollment to all low-income and moderate-income customers, regardless of location to align with the implementation of the Statewide Solar for All program.

NYPA will implement REACH with Department staff and the utilities according to the order, including arrangements to fund REACH bill credits as project revenues become available. Once the REACH framework is established, NYPA plans to confer with LIPA to implement REACH within LIPA's service territory.

### **CUSTOMER PROTECTIONS DURING EXTREME HEAT EVENTS**

In January 2025, the Commission instituted a proceeding to examine procedures and programs regarding customer protections during extreme heat events at all major New York electric utilities and major private water utilities. The purpose of the proceeding was to establish a comprehensive statewide policy regarding extreme heat customer protections for electric and larger water utilities.

Protecting consumers is a top priority for the Commission. The primary purpose of this proceeding assesses the adequacy of the existing protections for major electric and major water utility customers during extreme heat events in view of policy objectives and to standardize them to reflect best practices.

Major electric utilities have varying definitions of what is considered extreme heat, dependent on their service territory. Some utilities, such as NYSEG and RG&E, define an extreme heat event as when the forecasted temperature in a single day is over 85 degrees, while others, such as National Grid (upstate), define extreme heat as when the heat index is forecasted to reach 100 degrees or more for at least one day.

Over the past five years, the Commission's Office of Consumer Services staff has, in conjunction with intervening parties and the major New York electric utilities, worked within the rate case process to enhance customer protections during periods of extreme heat for the major electricity utilities in New York State. During the same period, New York State experienced five of the hottest summers on record and anticipates a continuing increase in heat waves and extreme heat events in the years ahead.

Current protections halt terminations due to nonpayment or incomplete payment by establishing heat index or temperature thresholds for days when the utilities will not conduct terminations of service to residential customers. These utilities have language within their rate plans detailing customer protections during extreme heat events. Currently, there are no extreme heat protections in place for New York's major water utilities. Staff anticipates proposing extreme heat protections for customers of water utilities with annual revenues in excess of \$250,000. Such water utilities must comply with the residential consumer protections set forth by Public Service Law.

Commission staff developed a staff proposal for public comment and Commission consideration that present information related to extreme heat practices in New York, existing utility extreme heat protections in general, and a proposal for

uniform extreme heat practices going forward. Commission staff anticipates returning to the Commission with newly uniform heat protections for implementation during the 2025 summer.

## **ELECTRIC GENERATION SITING AND THE ENVIRONMENT**

The Siting Board met for the last time on Monday, March 24, 2025. Going forward, new applications for generation projects will fall under the authority of the Office of Renewable Energy Siting and Electric Transmission.

### **STEBEN COUNTY WIND FARM**

The Siting Board approved an amendment to the construction certificate for a wind farm in the towns of Cameron, Canisteo, Greenwood, Jasper, Troupsburg, and West Union in Steuben County. The amendment reduced the size of the wind farm from 290.7 MW to 250 MW.

### **BARON WINDS LLC**

In July 2024, the Siting Board granted Baron Winds LLC (Baron Winds), a 242- MW wind farm in the towns of Cohocton, Dansville, Fremont and Wayland, Steuben County, an amendment to its construction plans.

On September 6, 2022, Baron Winds filed a petition to amend the second phase of the project, which is located primarily in the Town of Fremont. In addition, Baron Winds transferred the second phase of the project to an affiliate Baron Winds LLC II. In this decision, the Siting Board granted the request, subject to conditions designed to avoid or minimize impacts to the maximum extent practicable during construction and operation.

According to the developer, the project as originally described would have a major positive economic impact on the host communities, including creating 117 direct jobs in construction and construction related services in the State, with workers earning a total of approximately \$5.8 million. The developer estimated that the facility would generate 10 onsite jobs during the annual operation of the facility, with earnings of approximately \$300,000 to \$400,000, along with 22 construction jobs created specifically in Steuben County, with estimated earnings of \$1 million.

In their original decision in 2019, the Siting Board examiners determined that the wind farm was a beneficial addition to the electric generation capacity of the State and was consistent with the State’s energy policy and planning objectives. The facility also served the goals of improving fuel diversity, grid reliability, and modernization of grid infrastructure. Fuel diversity improved through generation of electricity with wind power rather than with fossil fuels; grid reliability improved through additional generation of power from a separate site through a different energy source; and modernization of the grid from construction of a new electric generating facility.

The Siting Board’s decision to grant the certificate was subject to lengthy and detailed conditions that addressed the concerns of the parties and ensure that, as built and operated, the project was consistent with the findings and conclusions of the Siting Board.

Additionally, local governments receive PILOT payments of approximately \$25.7 million over 20 years. Host towns also receive payments estimated to be up to approximately \$12 million over 20 years under community agreements. Participating landowners also receive payments under agreements with the applicant. The project

generates enough electricity for 60,235 average-sized homes. The 242 MW Baron Winds project will be built in two phases. The first phase — which became commercially operational in early 2023 — is located in the Towns of Cohocton, Dansville and Wayland in Steuben County.

This first phase included 32 turbines at a maximum height up to 650 feet, producing an estimated 122 MW of clean renewable electricity, along with associated electrical collection lines, access roads, meteorological towers, an operation and maintenance building, and a collection substation. The facility is located on privately leased rural land that will continue to be used for farming, forestry and other comparable uses.

The second phase of the project consisting of up to 26 wind turbines of up to 650 feet producing up to 120 additional MW in the Town of Fremont. The amount of land set aside for the project increased to 1,242 acres.

## **THE OFFICE OF RENEWABLE ENERGY SITING AND ELECTRIC TRANSMISSION**

ORES is responsible for conducting comprehensive, timely, and detailed reviews of applications for major renewable energy generation and, due to the passage of the RAPID Act in the FY 2025 enacted budget, electric transmission facilities. The RAPID Act transferred ORES from the Department of State to the Department of Public Service and created a one-stop-shop for siting and permitting renewable energy generation and transmission. The RAPID Act prioritizes transparency, community engagement,

environmental protection, and faster decision-making to enhance the pace of project implementation. The passage of the RAPID Act tasked ORES with developing regulations for permitting major electric transmission facilities. These regulations were released for public comment on December 18, 2024.

In 2024, ORES issued four final siting permits for major renewable generation facilities, representing over 600 MW of new clean energy.

### **25 LARGE-SCALE RENEWABLE ENERGY PROJECTS OVER THE LAST FOUR YEARS**

As of February 2025, New York State had permitted 25 large-scale renewable energy projects over the last four years, representing 3.6 GW of new solar and wind power in the state’s clean energy pipeline. ORES issued a final siting permit for the

### **EXECUTIVE DIRECTOR FOR ORES**

In November 2024, Rory M. Christian, CEO of the Department announced the appointment of Zeryai Hagos as Executive Director of ORES, a new office within the Department charged with consolidating the environmental review and permitting of major renewable energy facilities and major electric transmission lines in New York State into a single forum that provides a coordinated and timely review of siting permit applications.

In addition to ensuring the professional and timely review of pending renewable energy siting applications, Mr. Hagos continues to establish ORES within the Department, ensure the efficient integration of staff teams, and lead the development of new regulations to streamline transmission siting

under the newly created Article VIII of the Public Service Law.

Mr. Hagos is a clean energy executive with more than 20 years of experience in government and the private sector. He has a proven track record as a leader of regulatory, policy, and business initiatives in the utility and clean energy industries. Prior to his ORES appointment, Mr. Hagos had been the Deputy Director of Clean Energy and Markets within the Office of Markets and Innovation at the Department. In this role, he was responsible for all areas pertaining to grid connected large-scale and distributed energy resources to achieve New York’s renewable energy goals. Mr. Hagos and his team were also responsible for the development and monitoring of New York’s long-term grid planning processes, wholesale and retail market policies, along with the energy storage, and electric vehicle charging deployment goals and policies.

#### **RICH ROAD SOLAR ENERGY CENTER AND PRATTSBURGH WIND LLC PROJECTS.**

In September 2024, ORES issued final siting permits for the Rich Road Solar Energy Center and Prattsburgh Wind LLC projects. The solar farm and the wind farm, located in St. Lawrence County and Steuben County, respectively, bring a combined 387 MW of clean, renewable energy to New York’s electric grid, powering more than 123,000 average-sized homes. Both facilities contribute significantly to the State’s ambitious climate goals while providing economic benefits to local communities.

The Rich Road Solar project developers estimate that the 240 MW solar farm—which will be supplemented with an additional 20 MW battery energy storage system (BESS) located in the Town of

Canton, St. Lawrence County—generates clean energy capable of powering more than 61,000 average-sized homes. The Prattsburgh wind farm, a 147 MW wind project spanning the Towns of Prattsburgh, Avoca, Cohocton, Howard, and Wheeler in Steuben County, will produce enough power for an estimated 62,000 homes according to its developers.

The application for the Rich Road solar farm was deemed complete on January 3 and a draft permit was issued by ORES on March 4. A thorough, timely, and transparent review process followed that included a public comment period and hearing. The facility features three ground-mounted solar PV arrays on single-axis tracker racking systems, a 34.5 kilovolt (kV) to 345 kV collection substation, and a point of interconnection switchyard. Construction of the facility creates more than 300 full-time jobs, with four permanent positions during operation. The project is expected to provide \$24 million in direct payments to the Town of Canton, St. Lawrence County, and local school districts over the next 35 years.

The application for the Prattsburgh wind farm was deemed complete on October 30, 2023, with a draft permit issued by ORES on December 29, 2023. The project encompasses 36 wind turbines and related infrastructure across approximately 53 acres of primarily rural land. The project generates more than \$1.2 million annually in tax revenue for local municipalities and over \$500,000 in direct lease and neighbor agreement payments to landowners. Additionally, it will create 81 on-site jobs during construction and eight full-time positions during operation.

## ALFRED OAKS SOLAR ARRAY

In September 2024, ORES issued a final siting permit for the Alfred Oaks solar farm. The project, located in the Town of Alfred, Allegany County, will generate 100 MW of clean, renewable energy and includes a 20 MW co-located battery storage facility. Once operational, the facility will reduce carbon emissions by over 87,250 metric tons annually, equivalent to removing more than 49,400 cars from the road. The project will produce enough electricity to power more than 13,000 average-sized houses.

The Alfred Oaks solar farm consists of rows of photovoltaic panels, associated infrastructure, a battery storage facility, and an overhead transmission line connecting to the existing 115-kilovolt (kV) Andover-Palmiter Road transmission line owned and operated by NYSEG. Construction of the facility creates over 170 full-time jobs, generating approximately \$22.8 million in earnings as well as two full-time equivalent jobs during operation with an estimated \$120,000 in annual earnings. Alfred Oaks Solar LLC, the project developer, is expected to provide significant funding to the county, towns and school districts in the form of payment-in-lieu of taxes and host community agreements to invest in infrastructure, additional services, and resources for residents in the communities hosting the facility.

## TRANSMISSION LINE SITING

### MAJOR TRANSMISSION PROJECT TO REBUILD IN WESTERN NEW YORK

In September 2024, the Commission approved a major transmission project to rebuild a nearly century-old transmission

line in Western New York that will help ensure reliability and improve the flow of energy across New York State.

Making significant upgrades and additions to the state's existing transmission and distribution systems enables the state to integrate new large-scale renewable energy projects into the state's energy supply. This project provides an essential reinforcement of the electrical transmission system that support the long-term economic health and growth of Western New York, as well as support ongoing commercial and industrial enterprises throughout the region and beyond.

On November 18, 2022, National Grid filed an application for a Certificate of Environmental Compatibility and Public Need pursuant to Public Service Law (PSL) Article VII for approval to rebuild, operate, and maintain a 21.7-mile portion of its 115-kilovolt electric transmission line. The line, known as Line 112, extends from the City of Lockport through the Town of Royalton in Niagara County and the Towns of Alabama and Batavia in Genesee County.

With this approval, National Grid rebuilds, operates, and maintains Line 112 and associated facilities, including replacement of 178 "aeromotor" structures and existing conductors, installation of stormwater management features, construction of staging/laydown areas and marshalling yards, and improvement of access roads. The \$87 million project will be rebuilt almost entirely along the transmission line's existing right-of-way (ROW).

The overall construction period for the project is estimated to last approximately 14 months, commencing as soon as practicable following receipt of all required rights,

permits and approvals. The amount of time it will take to construct any segment or individual structure replacement will vary depending on the specific ROW constraints and outage limitations.

During peak construction, the workforce for the project averages approximately 40 construction workers. They perform typical utility construction activities, such as tree trimming, matting, foundation work, line construction and restoration.

### **CHAMPLAIN HUDSON POWER EXPRESS, INC. AND CHPE PROPERTIES, INC.**

The Champlain Hudson project is a high voltage, direct current transmission line extending approximately 330 miles from the New York/Canada border to a converter station in Astoria, Queens County.

In the recently completed fiscal year, the Commission issued 16 decisions to continue to speed construction of the Champlain Hudson project. These decisions or orders focused primarily on approving amendments to the already approved construction plan.

In June 2024, the Commission amended the permit issued to Champlain Hudson Power Express, Inc. and CHPE Properties, Inc. (Champlain Hudson) with respect to cable installation requirements within the maintained Federal navigation channel in the Hudson River and approved the corresponding environmental management and construction plan for cable installation within the Hudson River. The approved amendment requires a 9-foot separation between the federally authorized depth of the Federal navigation channel and the top of the cables.

In conjunction with the approval of the petition amendment, the Commission approved plans for Segment 19B, which includes pre-installation grapnel runs, and

installation and protection of underwater high voltage direct current cables in the Hudson River. Segment 19B is divided into two geographic areas: (1) the Cementon-Stony Point Hudson Marine Segment, which is approximately 67.5 miles long beginning in the Town of Catskill, Greene County, and ending in the Town of Stony Point, Rockland County, and (2) the Congers-Harlem Hudson Marine Segment, which is approximately 21.6-miles long beginning in the Hamlet of Congers, Town of Clarkstown, Rockland County, and ending at the confluence of the Harlem River.

Construction of the Champlain Hudson Power Express transmission line, being developed by Transmission Developers Inc, is underway. The project is expected to bring \$3.5 billion in economic benefits to New Yorkers while creating nearly 1,400 family-sustaining union jobs during construction and was competitively selected under Tier 4 of the State's Clean Energy Standard, as a key project that helps achieve the Climate Act.

The project is expected to power over one million homes and 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 2026.

### **COORDINATED GRID PLANNING PROCESS**

In August 2024, the Commission commenced a proceeding to evaluate new energy loads from transportation and building electrification to proactively identify and develop future grid infrastructure needs. As part of this new proceeding, the Commission directed New York's investor-owned utilities to develop a

framework for proactively planning for infrastructure needs driven by transportation and building electrification, and to determine how to address urgent infrastructure needs.

The Commission is establishing a statewide, collaborative planning framework to ensure that the utilities are ready to support New Yorkers who are increasingly choosing electric vehicles and heating for their homes, business and transportation needs. The purpose of this effort is to identify timely electric grid upgrades to support electrification across a number of sectors of the economy.

In typical infrastructure planning studies, each individual utility identifies potential needs as they arise in their territory, either from new service requests or load letters — requests for new or increased electrical service — from new or existing customers or through their planning processes based on forecasted load. However, the rate at which consumers are electrifying buildings and vehicles has the potential to outpace the existing grid planning processes. The planning framework directed by the Commission was designed to proactively identify grid infrastructure needs to ensure the utilities expand the system in the most cost effective and timely manner. The planning framework ensures that the utilities leverage shared, best-in-class information and techniques to ensure that each utility is coordinating across geographies and service territories.

An important part of the new equation is accounting for the increased load related to the electrification of vehicles, which is significant and is expected to be a major driver of the load forecasts used to identify transmission and distribution upgrades in the

newly established Coordinated Grid Planning Process (CGPP). The more granular and local load forecasting process developed in the proactive planning framework complement and integrate with the CGPP, resulting in a more efficient integrated resource plan for the state's transmission and distribution systems. Ultimately merging granular electric vehicle (EV) planning with the CGPP enable the Commission to evaluate the totality of upgrades necessary to meet the clean energy and greenhouse gas emission targets in the Climate Act.

The largest and most complex utility upgrades take over seven years to complete, while the speed at which fleet owners can order electric cars and trucks that drive such upgrades can happen in a matter of months. The Commission determined that a proactive planning process is necessary, to ensure the grid is ready for the future needs of utility customers, and the infrastructure is developed in the most cost effective and timely manner. The development of an innovative electrification planning process not only lowers utility bills, but also enables the significant levels of electrification anticipated through consumer choice and in pursuit of the Climate Act goals.

Adopting an approach from the transmission planning proceeding, the Commission directed the major utilities to file a proposal for a long-term coordinated planning process to study and identify necessary upgrades to support electrification. In this proposal, the utilities account for new electrification loads beyond the transportation sector, including, but not limited to, electrification of buildings, such as housing or industrial loads related to economic development that can similarly

drive system upgrade needs. The proposal shall, at a minimum, include assumptions and methods that underlie the process, as well as identify necessary data and timelines needed to carry out the study.

The Commission order outlined a process to address urgent upgrade projects on an earlier time frame, while a statewide proactive planning framework is developed. Specifically, the Commission directed the major utilities to submit filings in three months outlining the urgent upgrades required in their territories, and a filing in four months describing the needed long-term planning processes.

## TELECOMMUNICATIONS

In the telecommunications sector, the Department and Commission continued to meet the statutory mandate to annually update the State's broadband availability map and issue an annual report on accessibility and affordability. This map is a critical tool to assist the State's ConnectAll office in implementing Governor Hochul's efforts to expand broadband to all households and businesses in the State. In 2024, following an enforcement settlement to ensure Charter Communications complied with Commission merger order requirements to offer low-income broadband service, the Department issued a first of its kind report on low-income internet accessibility in New York State. The report identified broadband companies that provide discounted broadband to income-eligible New Yorkers.

### THIRD BROADBAND REPORT

In June 2024, the Commission authorized the release of the Commission's third report and interactive broadband map to further

identify where high-speed broadband is available in New York State.

As in prior iterations, the interactive map allows users to explore the State's broadband availability. Users can search an address to see what providers are available, and 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.

The updated map builds on the efforts to refine data, add new information, and incorporate lessons learned, all of which helps to improve the map's overall accuracy. The Commission found 97.4 percent of New York State address locations are served by high-speed broadband service providers. Compared to the previous year, the number of served address locations in the State increased by 23,370, and the number of unserved address locations across the State decreased by over 1,200 addresses.

Importantly, competition amongst broadband providers is increasing across the State. Since 2023, more than 500,000 addresses across New York gained access to more than one high-speed internet service provider. As of June 2024, more than 3.4 million addresses in New York have access to more than one provider, or 64 percent of the total.

To assist in the collection of accurate data, the Commission collaborated with 75 internet service providers, solicited stakeholder input from a consumer survey and the map's built-in feedback loop and conducted field inspections of more than 26,000 addresses. In accordance with the

Act, staff refined and analyzed the availability, reliability, and cost of high-speed broadband service throughout the State. The culmination of this year-long effort was the third report and interactive map in accordance with Act requirements of the Act.

In addition to two virtual public hearings held in March 2024, the Commission also maintained an interactive process for interested persons and stakeholders to provide information related to broadband infrastructure in New York. Comments were received from the public and interested stakeholders, including State and local representatives, large and small internet service providers, businesses and economic development organizations, community and public interest groups, and individuals.

#### **POLE ATTACHMENTS RULES**

After a staff review, including opportunity for public and stakeholder input, in July 2024, the Commission modified its rules regarding pole attachments. The changes included ensuring more concrete time frames to facilitate resolution of pole attachment disputes, creating a working group of stakeholders to meet regularly and facilitate the discussion and resolution of issues relating to pole attachments, and implementing annual reporting requirements that provide greater transparency in the pole attachment process and assist both pole owners and attachers.

Over the years, the Commission has adopted policies to make it easier for telecommunication and cable systems to co-locate on utility-owned poles to expand access to high-speed broadband and telecommunications services. At the same time, however, the Commission has an

obligation to ensure safe and reliable utility service at just and reasonable rates. The changes adopted accomplishes both goals.

In addition to the changes mentioned above, the Commission required consideration of alternative pole attachment methods; adopted a new pole attachment process that includes "One Touch Make Ready" for simple attachments in the communications space provided it is not precluded by collective bargaining; and required post-construction inspections.

Generally, poles throughout New York State are owned by electric utilities and large telecommunication companies, and in some instances, poles are jointly owned by these entities. Pole attachers are typically telecommunication and cable companies who submit their applications to the pole owners requesting a license for the use of space on the poles and approval to attach their facilities.

Every pole owner has individualized pole attachment agreements and application processes. Once the applications are submitted to the pole owners, they have a certain amount of time to process surveys and conduct make-ready work to facilitate third-party attachments.

#### **CHARTER COMMUNICATIONS, INC.**

In August 2024, the Commission reached a settlement agreement with Charter Communications, Inc. (Charter), parent company of broadband provider Spectrum, which operates in 58 out of the 62 counties in New York State, requiring the communications company to provide discounted broadband service to low-income customers in the National Free School Lunch Program or receive Supplemental Security Income benefits.

The Commission approved an enforcement settlement with Charter, the largest cable provider in the State. An earlier merger order had a number of enforceable public interest conditions, including a condition that Charter offer a low-income broadband program with download speeds of at least 30 Megabits per second (Mbps) for \$14.99 per month. The Department alleged Charter increased the price of its low-income broadband program to \$24.99/month at a higher speed of 50 Mbps without Commission approval, in violation of the 2016 merger order. The company disputed the allegations.

Ongoing litigation delayed implementation of the State's Affordable Broadband Act, and the federal Affordable Connectivity Program (ACP) had expired. The only low-income broadband requirements that existed in New York were the low-income program conditions in the Commission's orders approving certain mergers. By approving this settlement, the Commission made affordable broadband available to eligible New Yorkers in Charter's service territory while the litigation was resolved and/or federal funding for ACP was reinstated, or federal broadband policy was clarified.

The settlement required Charter to re-establish the program at \$15/month for 50 Mbps download speed for four years to New Yorkers in the National Free School Lunch Program or receiving SSI benefits. For years two through four of the program, Charter can't raise the price by more than the rate of inflation as measured by the Bureau of Labor Statistics' Consumer Price Index beginning in the second year of the program.

## REPORT ON LOW-INCOME INTERNET ACCESSIBILITY

In September 2024, the Department issued a report on low-income internet accessibility in New York State. The detailed report highlighted the swift and important steps that Governor Kathy Hochul and the Commission have taken to ensure that high-speed broadband service continues to be affordable and available in New York. In addition, the report provided a much-needed resource for low-income New York consumers and organizations working to assist low-income New Yorkers to identify broadband companies that provide relevant programs. The report will be updated at least annually going forward, or until a more permanent federal or statewide program becomes available.

On September 20, 2024, Altice USA, Inc. (Altice) filed a petition proposing to amend its low-income service to align with the provisions contained in the Charter settlement. If the petition is approved by the Commission, Altice would continue its low-income program for at least an additional four years, consistent with the terms of the Charter settlement. Although not required by Commission directive, Verizon New York Inc. (Verizon) offers Verizon Forward, a home internet service specifically for low-income households that provides eligible customers with a range of speeds and price points for purchase. That Verizon service starts at \$20 per month at 300 Mbps. According to the report, Charter, Altice and/or Verizon are New York's three largest internet service providers and serve over 95 percent of addresses passed by broadband networks in New York.

Over the last several years, Governor Hochul and the Commission have

implemented several targeted initiatives to improve the availability and access to high-speed broadband service throughout the state. These actions include requiring telephone and cable companies under Commission jurisdiction to expand their respective networks to provide high-speed broadband to unserved or underserved households in the state. In addition, pursuant to legislation enacted in 2021, the Department is now required to report on and map high-speed broadband infrastructure annually at an address-level, which is crucial in identifying areas that lack broadband availability.

The report issued provided the most up-to-date information on low-income programs in New York and was designed to help communities learn about their eligibility requirements. Consumers should contact their internet service providers directly for more information on current programs. This report and subsequent updates are available on the Department's website. In addition, the Department is working with its mapping consultant to include the current opportunities to access low-income broadband service on the State's broadband mapping website.

### **AFFORDABLE BROADBAND ACT**

In January 2025, the Affordable Broadband Act (ABA) officially took effect, making New York State the first state in the nation to require internet service providers to offer qualifying low-income households broadband service at \$15 per month for 25 Mbps service or \$20 for 200 Mbps service. The State also launched its \$15.5 million Digital Equity Program Capacity Grant to provide two-year grants supporting digital literacy training, device access and support services for underserved communities. Additionally, to maximize the impact of this

law and alongside its \$15.5 million Request for Applications (RFA), ConnectALL invested \$3 million to publicize the ABA benefit to eligible households, support them in signing up for the low-cost accessibility option, and help them connect to education programs and affordable devices, while the Commission works to ensure all internet service providers fully comply with the law.

The ABA, enacted in 2021, cleared final legal hurdles when the United States Supreme Court denied further review of the law in December 2024, allowing implementation to proceed. The ABA requires internet providers serving over 20,000 customers to offer reduced-cost plans to qualifying households. The Commission reinstated temporary exemptions for small ISPs with fewer than 20,000 customers and review new requests for exemptions based on economic hardship.

These discounted rates are permanent, though providers may adjust prices once every five years. Any price increase must be announced 30 days in advance to customers and regulators and are limited to the lesser of either the most recent consumer price index change or a maximum of two percent per year. The Commission restarted a process, which had been stayed by court order, to implement the ABA law, and its staff review requests for exemptions from small ISPs that have fewer than 20,000 customers and can show economic hardship. The Commission reinstated temporary exemptions previously provided to small ISPs that requested such relief in May 2021. With the resolution of the litigation, providers with more than 20,000 customers need to comply with the ABA's directives.

## **DIGITAL EQUITY PROGRAM CAPACITY GRANT**

Empire State Development’s ConnectALL Office accepted applications for the \$15.5 million Digital Equity Program Capacity Grant. This competitive initiative provided two-year grants to organizations and partnerships working to bridge the digital divide through high-quality digital literacy training, device access programs, digital privacy skills development and inclusive support services.

The RFA was funded through the National Telecommunications and Information Administration’s State Digital Equity Capacity Grant Program and aligns with New York State’s Digital Equity Plan. The funding follows NTIA’s approval of New York State’s Digital Equity Capacity Grant Application in October 2024, which secured nearly \$36.9 million in federal funding. ConnectALL aims to double the capacity of the State’s digital equity ecosystem by 2035.

### **465 AREA CODE BRONX, BROOKLYN, QUEENS, STATEN ISLAND, AND MARBLE HILL SECTION OF NEW YORK CITY**

In February 2025, the Commission announced that residential, business and wireless customers within the existing area codes that serve the Bronx, Brooklyn, Queens, Staten Island, and the Marble Hill section of the New York City metropolitan area needed to prepare for the introduction of a new area code — 465 — once the supply of central office codes under the existing area codes exhausts.

To meet the increasing demand for phone numbers, earlier this year, the Commission approved an overlay area code to be added to the current 347/718/917/929 area codes region that serves portions of the New York City metropolitan area. The Commission determined that the overlay was the best

option to enhance the public interest in the region by providing long-term relief, the least expense, and minimal disruption to consumers.

The area codes at issue are expected to exhaust in the fourth quarter of 2026. The new area code was assigned to newly issued telephone numbers in the region and apply to all telephone numbers, regardless of service type. Therefore, customers in the region requesting new service, an additional line, or a move in the location of their service, may be assigned a number in the new 465 area code but only once all unassigned telephone numbers in the current area codes are exhausted.

With increased telephone usage, the Commission must accommodate the growing demand for phone numbers. The new area code ensures that there are enough phone numbers available for New Yorkers.

Existing customers in the region are not impacted by the new overlay area code. Because 10-digit dialing is already well established in this region, the eventual addition of the new area code covering the same geographic area does not require any changes to the way area residents and businesses dial telephone calls — aside from using the new area code, when necessary.

Customers should ensure that all services, automatic dialing equipment, applications, software, or other types of equipment recognize the new 465 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. In keeping with past practice, business stationery, advertising materials, personal checks, and personal or pet ID tags should include the area code.

## APPENDIX: BUDGET HIGHLIGHTS

The FY 2025 Enacted Budget included an All-Funds appropriation for the Department of \$197.4 million. The FY 2026 Executive Budget Request includes funding to ensure that the Department achieves its performance strategies and objectives, which includes consumer protection; safe, reliable, and affordable utility services; and clean energy initiatives, including the Climate Act. It is important to note that the Department receives the majority of its revenue from special revenue sources, including a total of \$126.5 million from assessments levied on utilities and cable companies, and federal funds.

The Fiscal Year 2025 Enacted Budget totaled \$197.4 million, a decrease of \$120 million from the Fiscal Year 2024 Budget, and a workforce of 578 employees for the Department.

This change in appropriations is attributable to a decrease of \$200 million in one-time funding to reduce gas and electric utility arrears for residential customers, partially offset by funding associated with the transfer of the Office of Renewable Energy Siting and Electric Transmission (ORES) from the Department of State to DPS, as well new funding of \$50 million for the Energy Affordability Guarantee to reduce bills for low-income customers who participate in the NYSERDA EmPower Plus Program. The Enacted Budget provided a staffing increase of 50 FTEs associated with the transfer of ORES to DPS.

### ALL FUNDS APPROPRIATIONS (Dollars)

Category	Available 2023-24	Appropriations 2024-25	Change	Re-Appropriations 2024-25
State Operations	\$111,760,000	\$141,667,000	\$29,907,000	\$5,500,000
Aid to Localities	\$205,750,000	\$55,750,000	(\$150,000,000)	\$205,640,000
Total	\$317,510,000	\$197,417,000	(\$120,093,000)	\$211,140,000

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

Program	2023-24 FTEs	2024-25 FTEs	FTE Change
<b>Administration</b>			
Special Revenue Funds – Other	65	65	0
<b>Regulation of Utilities</b>			
Special Revenue Funds - Federal	22	22	0
Special Revenue Funds - Other	441	441	0
<b>Renewable Energy and Electric Transmission Siting</b>			
Special Revenue Funds - Other	0	50	50
<b>Total</b>	<b>528</b>	<b>578</b>	<b>50</b>



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