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STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

2026 COMMISSION SESSION

DATE: SEPTEMBER 17, 2026, at 10:32 a.m.

LOCATION: AGENCY BUILDING 3, 19TH FLOOR
EMPIRE STATE PLAZA
ALBANY, NY 12223

COMMISSIONERS:

RORY M. CHRISTIAN, Chair
COMMISSIONER JAMES S. ALESI
COMMISSIONER DAVID J. VALESKY
COMMISSIONER JOHN B. MAGGIORE
COMMISSIONER UCHENNA S. BRIGHT
COMMISSIONER DENISE M. SHEEHAN
COMMISSIONER RADINA R. VALOVA

Reported by Tina Hotaling

(The hearing commenced at 10:32 a.m.)

CHAIR CHRISTIAN: Good morning. I call this session of the Public Service Commission to order.

Madam Secretary, are there any changes to the final agenda?

SECRETARY PHILLIPS: Yes. There's one change to the final agenda. The consent agenda Item 380 has been pulled and, therefore, will not be considered when you consider the consent agenda.

CHAIR CHRISTIAN: Thank you very much.

Confirming that Item 380 has been pulled.

Now, before moving to the agenda, I'd like to conduct a roll call of Commissioners. When I call your name, please confirm that you are present.

Commissioner James Alesi?

COMMISSIONER ALESI: Present.

CHAIR CHRISTIAN: Commissioner David Valesky?

COMMISSIONER VALESKY: Present.

CHAIR CHRISTIAN: Commissioner John Maggiore?

COMMISSIONER MAGGIORE: Present.

CHAIR CHRISTIAN: Commissioner Uchenna Bright?

COMMISSIONER BRIGHT: Present.

CHAIR CHRISTIAN: Commissioner Denise Sheehan?

COMMISSIONER SHEEHAN: Present.

CHAIR CHRISTIAN: Commissioner Radina Valova?

COMMISSONER VALOVA: Present.

CHAIR CHRISTIAN: Thank you.

Before we turn to the regular agenda, do any commissioners wish to recuse from voting on either Item 201 or Item 202?

Commissioner Alesi?

COMMISSIONER ALESI: I do not.

CHAIR CHRISTIAN: Thank you.

Commissioner Valesky?

COMMISSIONER VALESKY: No.

CHAIR CHRISTIAN: Thank you.

Commissioner Maggiore?

COMMISSIONER MAGGIORE: No.

CHAIR CHRISTIAN: Thank you.

Commissioner Bright?

COMMISSIONER BRIGHT: No.

CHAIR CHRISTIAN: Thank you.

Commissioner Sheehan?

COMMISSIONER SHEEHAN: No.

CHAIR CHRISTIAN: Thank you.

Commissioner Valova?

COMMISSONER VALOVA: No.

CHAIR CHRISTIAN: Thank you.

We now move to the regular agenda, our first of two items today.

Item 201, Case 26-M-0552, as it relates to the use of artificial intelligence and utility operations. It will be presented today by Dennis Dibari with John Sipos available for questions.

Dennis, when you're ready, please begin.

MR. DIBARI: Thank you.

Good morning, Chair Christian and Commissioners.

Item 201 is a proposed order for your consideration that initiates a new proceeding to examine the use of artificial intelligence systems in New York's public utility operations. Within the last year, the Department of Public Service staff has

observed, via media reports and public sources, that various regulated entities here in New York have begun to take steps to integrate A.I. systems in their operations.

By way of example, utilities have used A.I. systems that conduct facility inspections, perform outage model development, build out customer service, and create electric usage analytics. However, the full extent and scope of A.I. system integration in New York's various utilities currently remains unclear, as no inventory of use cases in the industry exists today. Although A.I. systems may offer sizable operational efficiencies, they may also introduce novel risks concerning the safety and reliability of New York's energy infrastructure.

Recent public statements and reporting reflect that A.I. platforms may encounter misconfiguration errors, misalignments, hallucinations, algorithmic biases, transparency issues, data privacy concerns, cybersecurity attacks, and functional brittleness. Department Staff also note that, in some cases, human inputs are being supplanted by A.I. systems, and therefore, public utilities may become more dependent on A.I.

providers.

This increased presence of A.I. systems in the critical infrastructure industry and the possibility of a potential failure or misconfiguration represents a new risk category for the Commission to evaluate and consider. The Public Service Law vests the Commission with a general supervision over electric corporations, gas corporations, and waterworks companies in New York State.

The Commission is empowered to superintend the methodologies and practices of public utilities, however new or cutting edge, to ensure that utilities live up to their obligation to provide safe and adequate service at just and reasonable rates. The draft order before you would initiate a new proceeding to examine and formally inventory the use cases of A.I. systems in public utility operations; and secondly, to analyze the policies, procedures, and protocols that govern the use of A.I. at each utility.

This exploratory step by the Commission, one of the first in the nation, would endeavor to balance public utility innovation with

regulatory vigilance and the public interest. Staff is, of course, available for any questions you may have. Thank you.

CHAIR CHRISTIAN: Thank you, Dennis. Appreciate the presentation and want to acknowledge your leadership in bringing this item before the Commission today, as this originated through discussions you had with the team throughout the last few years. So thank you for putting this together and generating the need and recognizing the benefits that this would provide.

I look upon this order as another clear example of the Commission's ongoing efforts to protect and guard consumers. And this represents something a little larger than just an isolated effort. It's a focused expansion of the Commission's oversight of regulated utilities, with the goal of ensuring that the evolving capabilities and use of A.I. provide benefits to ratepayers, while simultaneously understanding and managing the potential new risks that artificial intelligence may present.

Now, many of you have likely read articles from several leaders in the field of A.I.

who recently shared their own concerns. And just yesterday, as I understand it, OpenAI revealed an instance of which there are six new instances where A.I. systems made mistakes, made up data, or took actions without permission.

Add to these reports concern is related to A.I.'s use as a weapon and the potential for A.I. to develop beyond our capacity to properly manage it. And it's clear to me that the village -- the vigilance, Dennis has identified a need for, is something that's essential to understanding how utilities are using A.I. and how that use may impact New Yorkers for years to come.

Now, I look to this not as a single action, but the beginning of what will be multiple actions for years to come through DPS, through the Commission, and others. The Commission acknowledges that some of New York's investor-owned utilities are already using A.I., and in some instances, it may result in net benefits to New Yorkers. We also acknowledge that the potential upside does not come without risk, as you stated in your talking points.

And as with all orders, we aim to strike a balance endeavoring to manage public utility

innovation and modernization with regulatory vigilance and public interest, because safety is our utmost concern. In any future actions related to A.I. governments must result in better outcomes for New Yorkers.

So to ensure that we can evaluate these measures over time, utilities will file semiannual reports, reports that grant Staff and the Commission the necessary visibility into their practices and the -- are increasingly important to understanding the rapid evolution that may render near-term actions obsolete. So to that end, we'll continue to work with the utilities to evaluate their practices. And I look forward to seeing this proceeding unfold.

Thank you, Dennis.

Commissioner Alesi.

COMMISSIONER ALESI: Thank you, Chairman. I really see this as a healthy reaction -- healthy action, I should say healthy action -- positive action undertaking rather than a negative reaction or a panic action. There's a lot to be gained. We know that through the use of A.I., expanding A.I., and applying it wherever and whenever

it can serve humanity.

But as you pointed out in your report, there are potential dangers there. And I think that we are taking a very responsible move and embracing the things in your report and that will be the best thing for us as we go along. And everything is subject to change with what we learned, and that's important to remember.

So I was -- when I first started the briefing that we had and the -- what I was reading, it reminded me. I doubt any of you here will remember HAL 9000 or the movie Space Odyssey. Don’t say it, you'll give away your age. That movie was all about a panic reaction to a computer. So we've come a long way from that day, which was really 25 years ago. A healthy, really solid report and one that does not react in a negative way. This is very good for us. It's a positive step, and I embrace it.

CHAIR CHRISTIAN: Thank you. Commissioner.

Commissioner Valesky.

COMMISSIONER VALESKY: Thank you -- thank you, Chair, and thank you for your presentation and your comments. I certainly couldn't agree more

with your summary that you just gave a few moments ago.

Dennis, and to your team, thank you for bringing this to our attention. I just have a question and then I'll make just a brief general comment.

As I often do with initiating orders, I like to think ahead as to what might come next from a process and procedure perspective. And -- and some initiating orders are more proscriptive than others and some aren't for -- for important reasons. But if you could just take 30 seconds or -- or perhaps John Sipos as Counsel, you know, you made clearly what -- made clear what this is, a proceeding that will examine and formally -- formally inventory the use cases of A.I. systems, analyze, so on and so forth.

Can you envision a scenario in which the results of what you find today will be coming back to the Commission and what that may, in fact, look like when that may, in fact, be whether there will be stakeholder opportunity? Again, just to -- just to flesh out, if you could, a little bit more of -- of what will come next in the weeks and months ahead.

MR. DIBARI: Sure. Thank you for the question, Commissioner.

I envision this to be basically a step zero for New York State to formally inventory A.I. use cases in the energy industry. Right now, we're really just seeing things being informally reported to us via media sources or sort of self-reporting. This is New York State government basically saying, you must tell us what you're doing this. Let's categorize this all. And also report to us your policies, your procedures, your protocols for A.I. governance.

How are you monitoring this? Are there humans in the loop? Do you have professionals on staff in the utility industry that know what they're doing and can actually control this? It -- it is a preliminary step. It's certainly not the final step. And all of those reports, when -- when those filings come in, they'll be further Commission action that we propose.

MR. SIPOS: And if I could just add to that, Commissioner, I think what we're seeing here today, what's before you, is a commonsense, deliberate, and prudent initiative. Because the

baseline -- the baseline-level setting approach that we -- we have here under our Public Service Law, which goes back 110 years, is to ensure that the regulated utilities are providing utility service in a safe and adequate manner.

COMMISSIONER VALESKY: Um-hum.

MR. SIPOS: And when they are making additions to the -- their energy system, that it be done with eyes wide open. And ultimately -- the ultimate obligation rests on the utilities to ensure that it is safe and adequate.

You know, this is -- you asked about, like, what -- what do we think might happen in the future. It's obviously difficult to predict, but we believe that we will be getting relevant information. We will -- it will help understand the scope of -- of these practices. And I think after that, there will be opportunities for the Department and for you, Commissioners, to -- to look at this further and decide how does this get factored into safe and adequate service.

COMMISSIONER VALESKY: Okay, good. As that information comes in, could one of the results, in fact, be the Commission being involved in some

sort of standardization across all utilities? I mentioned that because we do that quite frequently; not that long ago, when we standardized what the utilities were doing as it relates to extreme heat protections, for example. Could that be a potential outcome?

MR. SIPOS: Speaking, I guess, cautiously, and it is speculation --

COMMISSIONER VALESKY: Understood. Yeah.

MR. SIPOS: -- but that could -- that could be an aspect of --

COMMISSIONER VALESKY: Um-hum.

MR. SIPOS: -- of future initiatives from the Commission, yes.

COMMISSIONER VALESKY: Okay. Okay. Thank you. I appreciate that -- that clarification.

Just a brief comment to conclude, you know, much of what the Commission does -- and by definition, Staff as well -- is of a reactive nature. We react based on statute to petitions that are filed by the utilities, petitions that are filed by organizations, petitions that are filed by individuals. We react to changes in statute that the

legislature and governor make.

And in fact, the next item on the agenda is exactly that. Item 202 will be a reaction to a change in statute based on most recent budget process. I think just as important, but perhaps sometimes overlooked, is when the Commission and staff act in a proactive manner. And that's exactly what this is. This initiating order is not being required by a change in statute. It's not before us as a result of a petition that has been filed.

It is before us. My understanding is, as you indicated, Dennis, and as the chair indicated, the level of concern that exists among the Staff today based on what is happening and based on the need for information to be provided to you and in turn to us as it relates specifically within our sphere of jurisdiction; namely, utility regulation.

So I really want to thank you for being proactive, for, you know, stepping -- maybe stepping outside of -- and certainly, it's within -- is within the statute, as you mentioned, Dennis. But you know, the fact that you're laying this on -- on as an overlay on top -- on top of your regular reactive responsibilities is, I think, really

important. And I think it gets to the heart of what doing the public interest really means. So I appreciate that very much. Look forward to the information as it comes in, and then we will take the next steps from there. Thank you.

CHAIR CHRISTIAN: Thank you.

Commissioner Maggiore.

COMMISSIONER MAGGIORE: Thank you. Thank you for the presentation. I'm going to make a statement first and then I have a couple questions.

The timing of this item could not be better. Until recently, the typical types of A.I.-runs-amok stories that would tend to make their way into the news ranged from the funny, like, stories about lawyers who use A.I. to draft their brief -- briefs and end up citing nonexistent cases, to far more serious concerns about A.I. replacing humans in entire industries.

The chair mentioned a story that was in today's paper. I was looking at New York Times headline -- headlines from the week. Here are a few: "Ex-Anthropic Employee: Here's Why A.I. Might Want To Kill Us." "Inside the Snowballing Conversations at A.I. Companies About Doomsday." "As Fears of A.I.

Catastrophe Magnify, Washington Stirs, but Mostly Slumbers," and "Top A.I. Leaders Call for Slower Development as Fears Mount Over Risks."

Did I say that these came from this week's Times? Actually, they came from Tuesday's Times, and I stopped hitting refresh after I captured 15 such headlines on that one day. All of this is to say that the scope of the threat of A.I. is still coming into view. Some of what you mentioned: misconfiguration errors, misalignments, hallucinations, algorithmic biases, transparency issues, data privacy concerns, and functional brittleness are all serious concerns.

But the umbrella concern of cyber security might be broader than the threat of the use of A.I. by bad actors from outside and could actually include threats from the technology itself. This concern will only grow as technology advances, and it is at least possible that utilities can turn to agentic A.I. down the road and later artificial general intelligence, or AGI, which doesn't exist yet.

It's not an option at this time, but the technology is developing so quickly that who's to

say it won't be available during the pendency of this proceeding? So that said, I do have two questions. And the first is, because the technology is developing so rapidly, how do we ensure that this proceeding remains up to date?

MR. DIBARI: Thanks for the question, Commissioner. You know, my imagination is to propose that the Commission require updates to the inventory during the pendency of the proceeding as new use cases and, I guess, novel use cases sort of emerge. It would basically be an obligation for utilities during the pendency of this proceeding to continuously update throughout the year how they're using A.I., not conceal it, for example. That's -- that's how I proposed utilities to do it.

COMMISSIONER MAGGIORE: Okay. Thank you.

And I'm just going to ask one other question. Is the intent of this proceeding to focus on the technology itself or the human use of the technology or both?

MR. SIPOS: Thank you, Commissioner. I actually -- I think it's for both to ensure that there is a comprehensive understanding about how the

technology is landing in the New York energy system and how utilities and their employees -- their human employees are using it. So I don't think it's an either-or question. And I think we're going to have to wait and see. You know, Commissioner Valesky asked if I could speculate how this might -- how this might roll out. There may be different ways at different utility corporations for -- for their approaches to how they use it.

So there may be some common -- common aspects, but there may also be potentially some utility specific aspects. And I guess if I could just add a little bit more from -- I think from Dennis and my perspectives, what Staff is proposing here is a prudent commonsense initiative. It's a middle-of-the-road perspective. Humans have had many innovations along the way. Gutenberg, vaccines, telephone, human flight, The Manhattan Projects. And we have managed that those -- those amazing innovations over time.

And it does come back to the jurisdiction of this Commission, which is to regulate the utilities, and it comes back to safe and adequate service. Is -- is this component -- is this new

component, whatever it may be, is it a wrench? Is it A.I.? Is it -- is it a new approach to energy load? Is that being used in a safe and adequate manner? Because at the end of the day, it is the Utility's obligation to ensure that their service is provided safely to New York customers.

COMMISSIONER MAGGIORE: Thank you very much. Those are all my questions.

CHAIR CHRISTIAN: Thank you.

Commissioner Bright.

COMMISSIONER BRIGHT: Thank you, Dennis. I do not have any questions. I just -- a comment that this is such an important initiating order for all the reasons that have already been discussed. And I very much look forward to, you know, as you were having the discussion with Commissioner Valesky of what's next, so. Thank you.

CHAIR CHRISTIAN: Thank you.

Commissioner Sheehan.

COMMISSIONER SHEEHAN: Thank you, Chair.

Thank you, Dennis, and to the team.

You know, I think the Chair's comments and the comments of my fellow Commissioners really

said a lot. I don't really need to repeat a lot of that. But I would just also -- thank you for bringing this forward and for recognizing this as something that we should do, so thank you for that.

I'm obviously very supportive. One of the things that we -- we talked about a little bit, Dennis, was making sure we're casting a wide net as possible with this in terms of picking up the different ways A.I. is being used. So just being clear that we're capturing both internal bespoke systems, as well as external widely available or otherwise available A.I. that were -- the intent is to get -- to capture both in this. So I just wanted to confirm that.

MR. DIBARI: Thank you for the question, Commissioner. The answer is yes. We're using the federal definition for A.I. and also New York State Information Technology Office policy definition as well. It will capture specific A.I., not necessarily like just LLMs, so to speak. It is a wide net and a broad net and we can sort of pare down later if -- if it's needed.

COMMISSIONER SHEEHAN: Okay. I also -- you know, from a concerns side of things,

I -- you know, my concerns are -- are ensuring system security, data privacy. These are -- you know, why we're doing this. So among the many things listed by my fellow Commissioners, those are top of mind for me. And I do remember HAL -- thank you, Commissioner, all too well, too old, giving away my age. But again, I'm grateful for this initiative coming forward. Super -- very supportive, and I'll be supporting. Thank you.

CHAIR CHRISTIAN: Thank you.

And Commissioner Valova.

COMMISSONER VALOVA: Thank you.

I will begin by saying that as a timeless movie that I think all generations know. I also thank you for a solid order, and I agree with everything my colleagues have said.

I want to touch on something that -- that John had mentioned why regulators, like, Public Service Commissions are an appropriate regulatory agency to be looking at -- at this issue. Because it's certainly not something I expected to be to -- to be working on as a -- as a Commissioner, you know, looking at A.I., A.I. software.

I think it's -- it's important to

remember that utilities are vested with the public interest. And we, as their regulators, are tasked with ensuring that their investments are prudent. And it's not just their physical infrastructure, its investments. It's also any ratepayer funds they put towards serving their customers, which includes both physical infrastructure and software.

And so this is – this rests safely, squarely within our purview. Even though it is -- very new technology, it's not something you might think of as utility regulators being tasked to -- to look at. And I think it's also important to remember that we are constantly looking at new technologies and that this industry has always been on the forefront of innovation, whether it's from the moment the industry was born in the -- in the late 1800s, all the way through today, with things like smart inverters and virtual power plants, we're always reviewing technologies to determine how they can be used for the benefit of ratepayers and -- and use safely. So I think yes, A.I. is different in a lot of ways, but it's -- it's very much a part of what we do on a -- on a regular basis.

My one question -- and it's both a

question and a statement -- is I'm very interested -- depending on what data the reports provide us with, whether or not we may be able to look at or may want to look at where liability lies -- financial liability. If a utility relies upon the outputs of an A.I. system, whether it's one that they've designed internally or one that they're procuring through another vendor, they rely on it and it results in some sort of material harm for ratepayers.

My understanding is that -- and the industry at large right now, a lot of times customers end up paying for these systems to learn. You know, you can't always recover damages depending on what's written into your contracts and such. And I understand you may not be able to look at individual contracts, but I -- I do wonder if this is something we'll want to look at and if it's something that we can look at as part of the proceeding, because I want to make sure as part of the prudence review that we're not risking. We're not putting ratepayers at risk of being harmed in the event these systems, as Chair Christian noted, do produce results that result in material harm.

MR. SIPOS: So Commissioner Valova,

thank you very much for the question and -- and the review and statement. It is something that, I think, Staff will be looking at going forward. You -- you twinned two concepts, prudence and -- and liability. And prudence means different things to different people. And I think we're using the -- that term in at least two of its contexts right now here today. Is it -- is it appropriate? Is it commonsensical to look to start this initiative?

But also in the regulatory realm are the investments, are the expenditures by utilities reasonable -- from a reasonable utility investor -- investment-type decision perspective. And so I think you hit on both of those. And those are aspects that I anticipate that, while we're not -- are not, you know, squarely before us right now today, will come into focus as the proceeding continues, because there are -- there are financial investment questions and there are also liability questions, as you said, if hypothetically, you know, something were to occur and there were consequences to that. So I hope that answers your question.

COMMISSONER VALOVA: It does, thank you.

And I'll add one more thing just for the record so you really understand where I'm coming from with this. I'm certainly not an A.I. expert. I probably read everything else that everyone here has read about the technology. My -- my understanding is that one of the things that's different about these systems is the way that they learn and the element of unpredictability kind of embedded in the way that they learn.

And that's what differentiates them from other kinds of software and why we have a dedicated proceeding to, you know, look -- look at their use, the utilities use all kinds of software all the time, and we -- we don't have this kind of review. And I think this does seem to carry different risks and potential for liability. So thank you; I appreciate it. I will be voting yes.

CHAIR CHRISTIAN: Thank you.

My vote is in favor of the recommendations contained in the draft order as discussed today.

Commissioner Alesi, how do you vote?

COMMISSIONER ALESI: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Valesky?

COMMISSIONER VALESKY: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Maggiore?

COMMISSIONER MAGGIORE: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Bright?

COMMISSIONER BRIGHT: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Sheehan?

COMMISSIONER SHEEHAN: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Valova?

COMMISSONER VALOVA: Yes.

CHAIR CHRISTIAN: Thank you.

The item is approved and the recommendations are adopted. Thank you, everyone.

We'll now move to our second item for discussion today. Item 202, Case 26-M-0547, as it relates to an energy affordability index. It will be presented today by Russell Harrison.

Russell, welcome. Congratulations on your first visit to the Commission to present.

Craig Carroll, Brandon Goodrich, and

Johanna Miller are here and available for questions.

Mr. Russell, please begin.

MR. HARRISON: Thank you, Chair.

Good morning, Chair and Commissioners. My name is Russell Harrison from the Office of Consumer Services.

Over the past decade, the Public Service Commission has implemented a series of affordability protections for residential utility customers across New York State. In May 2016, the Commission established an energy affordability policy that set a target energy burden at or below 6 percent of household income for low-income residential customers. Since then, the energy affordability policy has evolved and expanded, most recently in the form of the Enhanced Energy Affordability policy implemented in 2025.

On May 28th, 2026, Governor Hochul approved the New York State budget for fiscal year 2027, which included amendments to certain sections of the Public Service Law. The amendments relevant to this proceeding are centered around the addition of Section 66-X, which requires the Commission to adopt a methodology for calculating an Energy

Affordability Index.

While the statute does not prescribe any specific calculation, it does state that the index should be calculated and submitted by all gas and electric utilities on an annual basis beginning in 2027 and should show the energy burden of each utility corporation's residential customers. The statute further requires the Commission to issue an annual Energy Affordability Report, the first of which must be published on or before July 1st, 2027.

Once established, the Energy Affordability Index will enhance transparency on the affordability of utility costs for residential customers and support the implementation of new affordability-focused mechanisms introduced within the amended Public Service Law.

Item 202 would initiate a proceeding to design an Energy Affordability Index methodology and implement the provisions associated with it, as enacted through the state budget. The draft order before you will direct gas, electric, and combination gas and electric utility corporations to submit information necessary for a Department of Public Service Staff to conduct a detailed review of the

energy burdens of residential customers and distill those findings into a proposal, defining a standardized measure of affordability.

This includes data pertaining to customer populations, median energy usage, and median annual bills, segmented at the ZIP code level and broken down by service type, service class, and heat related versus non-heat. In addition, to support this effort, Staff intends to retain a consultant that will provide research and analytic support to inform the development of a proposal for public input before Commission action on the affordability index.

The draft order directs DPS Staff to develop a proposal regarding how to calculate the Energy Affordability Index for public comment and Commission consideration. Staff expects that the proposal will include a demonstration of the merits of the proposed methodology by using it to create an initial assessment of the utility's energy affordability status. Staff anticipates issuing this proposal within one year.

In addition, the draft order provides interim guidance for utilities to calculate energy burdens for their 2027 affordability index filings

and for any utilities that file for new rates prior to the establishment of a formal Energy Affordability Index methodology. This interim calculation is a basic ratio of annual median household energy costs, including all delivery charges, supply charges, surcharges, and taxes divided by annual median household income.

That concludes my presentation. Staff is now available for questions. Thank you.

CHAIR CHRISTIAN: Thank you again, Russell. Very timely. Thank you.

Now, the Commission is not blind to the reality that households across the state are struggling to pay their utility bills. This is a fact I was able to see first-hand with the governor earlier this week as we launched the Energy Affordability Program, pushing an enrollment drive to reach the millions of eligible New Yorkers who can participate and benefit from the funds available through this program.

But it's also incumbent on the Commission to ensure safety and reliability of our system and the Energy Affordability Index that we are developing through this order strikes a balance

between these two realities and upholds the adage that you can't manage what you can't measure.

This index offers a consistent and transparent way to measure the affordability of residential utility services, both across New York's utilities and utilities in other states over time. This in turn is going to be a valuable metric for both stakeholders who actively engaged in rate case proceedings and for the consumers who are directly impacted by the decisions made. This order provides the guidance necessary to hold utilities accountable in their filings, while setting the stage for annual affordability reports that will help inform future Commission actions.

So again, thank you for bringing this before the Commission. Fully support it.

Commissioner Alesi.

COMMISSIONER ALESI: Thank you.

I'm going to support this primarily because it will be very helpful for all of us in the energy industry, but it can also serve as a template for other areas where consumer protection is of utmost importance, whether it's in the professions or whether it's in transportation or any other area that

you can think of. So I think we're taking a leadership action here, and I applaud this reporting.

CHAIR CHRISTIAN: Thank you.

Commissioner Valesky.

COMMISSIONER VALESKY: Thank you, Chair.

Thank you, Russell, for the -- for the good work. And thank you for including in your presentation the preview of coming attractions part for us as Commissioners over the next year or so. Again, I do appreciate that, so we know what to expect.

Just -- no questions, but just a very brief comment from an historical perspective. I think those of us who have been here and in other places in government over the last several years, I think it's safe to say that we saw more changes to the Public Service Law in this recently concluded New York State budget process than -- in a very long time. And many of those changes have required initiating orders from the Commission. This just being one, not the first. We've already done at least one if my memory is correct maybe -- maybe more than that. And there may -- maybe more to come.

Why do I mention that? Changes in statute don't -- are not always accompanied with changes in Staff levels at the agency that's required to implement changes in statute. So I know that you and -- and your colleagues on the staff have an incredibly full plate already. And you're taking on additional assignments to comply with the law, which is what we are all required to do in the public interest. And I just want you to know that I recognize that. I know my colleagues sitting here recognize that as well.

And -- and thank you for, in many ways, going above and beyond perhaps what you signed up for, because as these changes come along, your flexibility becomes that much more important, and -- and to be able to continue to do the good work that you do. So we appreciate that from a Commission perspective. And specific -- specific to this initiating order, again, look forward to information as it comes in and -- and future considerations by the Commission. Thank you.

CHAIR CHRISTIAN: Thank you.

Commissioner Maggiore.

COMMISSIONER MAGGIORE: Thank you.

Thank you for that presentation, Russell. Let me start with just asking a couple questions. Can you expand on how the Energy Affordability Index might support the implementation of new affordability-focused mechanisms?

MR. HARRISON: Absolutely.

So under the amended public service law, the executive compensation incentives for utility executives are intended to use the affordability index to define those incentive targets. And additionally, the affordability index will be used to assess whether to install the independent affordability monitors at the Commission's discretion within utilities where energy burdens for which the index will act as a proxy exceed a certain level.

COMMISSIONER MAGGIORE: Okay. So that will generate information. Would you anticipate that, as a result, this initiative will lead to future measures that will result in lower energy bills?

MR. HARRISON: I think it's too early in the proceeding at this stage for staff to speculate on that with any substantial degree of

confidence, but I think it is worth highlighting that the index will be the yardstick we use to test whether any measure -- any measure current or future deployed to lower energy bills is working as intended. As the Chair said, you -- you can't manage what you can't measure.

COMMISSIONER MAGGIORE: Yeah. Okay. My last question is this.

Commissioner Valesky, thank you for taking on challenges that you didn't necessarily sign up for.

In that vein, how does this project fit in with other demands on staff resources?

MR. HARRISON: To the extent that this proceeding will require an allocation of staff resources, we plan to utilize the consultant to mitigate those impacts. But beyond that, confining the measurement of affordability to a generic proceeding will allow us to develop a consistent statewide definition for it and avoid the need to individually establish it in each rate proceeding.

COMMISSIONER MAGGIORE: Okay. Thank you. I am going to support this. I do have a few comments.

I would like to say that, since joining the Commission five years ago, I've become increasingly impressed by the thoroughness, transparency, and participatory nature of the rate-setting process. I've also been more than impressed by the professionalism of DPS Staff involved with the process and their commitment to minimizing any necessary rate increases.

Thanks to the nature of the process, the public input, and staff professionalism, almost all of what gets approved in rate cases are cost recoveries that the law either requires or derived from legal requirements. For this reason, I'm curious as to what this process will uncover that we don't already know. I'm hopeful that the affordability index will be a useful tool, and I'm comforted by what you just said, that this will be a productive enterprise.

That said, I'm somewhat concerned about our use of the word "affordability" in this context. Affordability is an imprecise word that means different things to different people. I'm satisfied that this order is worth approving, but I would recommend that we take care -- as we roll it

out, as we roll this process out -- to explain exactly what ratepayers should expect as a result. I will be supporting this. Thank you.

CHAIR CHRISTIAN: Thank you.

Commissioner Bright.

COMMISSIONER BRIGHT: Thank you, Chairman, and thank you, Russell. Great job presenting for the first time.

I do have a couple of questions. I think, as you know, I feel like this is a very ambitious timeline. But that said, I appreciate all the hard work that has already gone into this and will -- will go into this as we move this along. So a couple of questions.

I just want to confirm, you had mentioned at the end of your presentation the interim calculation is for. So any rate cases that come up in the future from now to anytime in the future before we have this index, we'll need to use that interim calculation; is that right?

MR. HARRISON: That's correct. Yes.

COMMISSIONER BRIGHT: Yeah. Great. So I just wanted to make sure that -- that was clear.

And then so a couple of questions just

specifically on the index. So I recognize and really appreciate that we're looking at other states and comparing New York to other states with the index to see, you know, how are we comparing to other states with affordability. But during this planning phase, are you also thinking about what existing affordability criteria are out there in other states, but also maybe in academia, that we can consider as we look to develop this index?

MR. HARRISON: Absolutely. Yes. Staff are definitely planning to review materials from other states, not just limited to the EIA data that's required in the statute. And we'll also be having a look at the academic body of work on the topic. There's a lot being done there right now to help inform development of the index.

COMMISSIONER BRIGHT: Great. Great.

And then I had a couple questions on the performance-based targets that we're going to be developing that will link the CEO and senior management compensation -- compensation to the affordability index. And I think the first one is sort of in a similar vein to what Commissioner Maggiore was just saying in his comments. But much

of the rates are outside of a company's control, so not discretionary. And can you give an example of something other than ROE, which we mentioned in this order, that could be impacted by being tied to this executive compensation? So how could the companies be impacted by this affordability index?

MR. HARRISON: Absolutely. So that is absolutely something we want to take into consideration. I think the opportunity for savings here doesn't so much stem from the removal of individual line items from utility budgets as it does from the need for utilities to ensure that the cost of each of those items, required as they may be, are planned and executed in a manner that aims to limit expenses.

And so a competitive business has a built-in incentive to do this. They don't need any help, but a natural monopoly with guaranteed cost recovery does not necessarily. So bringing the executive compensation into the picture here, incentivizes the most influential individuals within these utilities to seek out savings with the information that they have that can be passed through to ratepayers.

COMMISSIONER BRIGHT: Great. And I think that might answer my second question in a way, but you know, the mechanisms we're using to ensure that something like a change in ROE or other performance incentives are genuinely incentivizing the outcomes that we're looking to get for residential households here.

MR. HARRISON: Certainly. And at present in rate cases, Staff always scrutinizes all aspects of the Utility's request to limit any rate cases -- or I'm sorry, any rate increases as much as is feasible as Commissioner Maggiore mentioned. We also note that the statute provides a new tool, the affordability monitor, which the Commission can use to address affordability at particular utilities, if appropriate.

As far as additional new mechanisms, it is probably premature to speculate at this point. But as part of the work Staff will be doing in this proceeding, we'll be assessing whether there are additional measures and mechanisms that the Commission could consider employing to incentivize affordability outcomes for residential households.

COMMISSIONER BRIGHT: Great. Thank

you.

And I have one last question, which is on the stakeholder engagement. So we have Energy Affordability Working Group, and I'm just wondering how they're going to be engaged in this process?

MR. HARRISON: Absolutely. So once the staff proposal is ready, we will be soliciting feedback on the proposal from stakeholders. Staff will be considering opportunities to leverage the Energy Affordability Working Group as the project takes shape, but it is again very early at this time.

COMMISSIONER BRIGHT: Okay. Sounds good. Thank you so much.

I'll -- I'll be supporting this item. Thanks.

CHAIR CHRISTIAN: Thank you.

Commissioner Sheehan.

COMMISSIONER SHEEHAN: Great job, Russell.

So as usual, Commissioner Bright asked most of my questions. Sorry. But I -- one thing that occurred to me while you're presenting, one, in -- in terms of trying to anticipate what's coming next, can you just elaborate on what we expect to see

in the staff proposal? What -- what can we -- I mean -- what do you envision being included in that? That's what I'm -- you know, just what elements specifically do we think will be in the proposal?

MR. HARRISON: So I -- I think the core of the proposal is a methodology for calculating this index.

COMMISSIONER SHEEHAN: Yeah.

MR. HARRISON: That -- that is the main thing it's attempted -- attempting to accomplish. I think – John’s looking at me, but I think it is, again --

COMMISSIONER SHEEHAN: Just trying to manage expectations --

MR. HARRISON: Yes.

COMMISSIONER SHEEHAN: -- I guess is what I'm getting at.

MR. HARRISON: Yes. And so I would be very hesitant to commit to anything --

COMMISSIONER SHEEHAN: Right.

MR. HARRISON: -- but I will say that, as we've discussed, there are these mechanisms like, the affordability monitor and the executive compensation, that have a linkage --

COMMISSIONER SHEEHAN: Um-hum.

MR. HARRISON: -- to the index. And so I think there's a reasonable possibility that the staff proposal will also consider how that would work.

COMMISSIONER SHEEHAN: Go ahead, Brandon.

MR. GOODRICH: Commissioner Sheehan, I was just going to add that the proposal will also address how to use the affordability index to create the incentives for executive and management compensation.

COMMISSIONER SHEEHAN: Okay, good.

Well, then I look forward to seeing that proposal. And you said, in about a year, we can expect that. It doesn't say in the order we don't have a hard date, right?

MR. HARRISON: We do not have an exact date. We anticipate being able to produce it within a year.

COMMISSIONER SHEEHAN: Okay. Great. I'll just add to what my fellow Commissioners said, that I think this is important, that we're moving forward with this. And I know it's a lot of extra

work, but your -- your efforts are greatly appreciated. Thank you.

CHAIR CHRISTIAN: Thank you.

Commissioner Valova?

COMMISSONER VALOVA: Thank you.

I also want to echo my thanks to everyone and for great presentation.

I am curious -- and I'm sorry if you've already explained this and I -- I didn't quite catch it. How will the affordability index link up with the 6 percent household energy burden policy? Like is the -- like, I know that that is our target ceiling. We don't want household energy burden to rise above that. Does that mean that the index will say anything that goes above that, you know, gets some sort of green, yellow, red, you know, steps of -- of concern?

MR. HARRISON: Yeah. That's a very good question. And to completely answer it, I think we need to do our work on the back end over the next year or so. However, the index is -- I think the statute is fairly clear that it is intended to measure energy burden. And so that 6 percent number you reference, that is given in terms of energy

burden. So I would say they are going to be -- I think -- as I might have said in another response, I think the index will be a proxy for energy burden. More information, we're looking forward to being able to provide in the future.

MR. GOODRICH: And Commissioner Valova, I will also add that the addition to Public Service Law Section 66, this is in the new subdivision (33), ties the Commission's authority to -- to install an affordability monitor to an outcome of a rate case where the energy -- where the energy burden is greater than 6 percent for residential combined electric and gas service and bringing it down from there.

COMMISSONER VALOVA: Thank you. Thank you for reminding me of that.

Yeah. I think -- I guess I'm -- I'm looking forward to seeing how this evolves in a way that allows us to not just implement the new affordability measures that the statutes contemplate, but also track how we're doing relative to our 2016 6 percent household energy burden. So thank you. I'm very supportive.

And the last thing I'll say is I think

good regulation is only as good as the data that -- that it's based on. So I'm really glad that -- that you're undertaking this, recognizing as my colleagues have, that it does add quite a bit of extra work and really appreciate your efforts. Thank you.

CHAIR CHRISTIAN: Thank you.

My vote is in favor of the recommendations contained in the draft order as discussed.

Commissioner Alesi, how do you vote?

COMMISSIONER ALESI: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Valesky?

COMMISSIONER VALESKY: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Maggiore?

COMMISSIONER MAGGIORE: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Bright?

COMMISSIONER BRIGHT: Yes.

CHAIR CHRISTIAN: Thank you.

Commissioner Sheehan?

COMMISSIONER SHEEHAN: Yes.

CHAIR CHRISTIAN: Thank you.

And Commissioner Valova?

COMMISSONER VALOVA: Yes.

CHAIR CHRISTIAN: Thank you.

The item is approved and the recommendations are adopted. Thank you, everyone.

Thank you, Russell.

We'll now move to the consent agenda. Do any Commissioners wish to comment on or recuse from voting on any items on the consent agenda?

I'll begin with Commissioner Alesi.

COMMISSIONER ALESI: I do not.

CHAIR CHRISTIAN: Thank you.

Commissioner Valesky?

COMMISSIONER VALESKY: No comments or recusals.

CHAIR CHRISTIAN: Thank you.

Commissioner Maggiore?

COMMISSIONER MAGGIORE: Thank you.

No recusals, but I do have comments on two items. The first is Item 265, which is Case 22-M-0149. I'm going to be casting a no vote on this one. By way of explanation, this order has to do with the establishment of greenhouse gas emissions reporting from utilities consistent with requirements

of the CLCPA.

My understanding of the ultimate purpose of the CLCPA is to reduce New York's overall contribution of greenhouse gas emissions that contribute to the climate change -- that contribute to climate change, the effects of which we are experiencing at an increasingly disruptive scale with every passing season.

Earlier this year, the legislature modified certain aspects of the law. Consequently, this order reflects the recent changes to the CLCPA's accounting methodology for greenhouse gas emissions from a 20-year time frame to a 100-year time frame and removal of the extraction and transmission of fossil fuels that are imported into the state from the definition of state-wide greenhouse gas emissions.

I understand the thinking behind these changes was to reflect other states' greenhouse gas emissions, accountability methodology, and to lower anticipated future consumer costs of addressing climate change. But my own opinion is that these changes do not, on their own, help this Commission reduce the state's greenhouse gas emissions. While I

understand the thinking behind having today's order reflect the current version of the law, I think we, as the Commission, should explore what utilities report to support the Commission's role, I'm therefore, voting no on that item.

I will next comment on an item that I'm going to vote yes on, which is Item Number 371, which is Case 26-E-0045. This item has to do with the proceeding we initiated in February to address interconnection reforms for the anticipated large loads resulting from the proliferation of data centers and similar facilities. Today's order is a necessary step in the process that we began earlier in this year, and I'm going to vote yes, as I said.

That said, I have serious concerns about the type of outcomes that this proceeding could potentially produce. The proceeding has multiple objectives, some of which could conceivably be achieved at the expense of others. Among these objectives are protecting the reliability of the grid, preventing local environmental degradation, and defending ratepayers from upward pressures on rates.

Indeed, the stated objectives go further than that to explore ways in which new large

electric loads could actually lead to downward pressure on rates. One of the other objectives is to develop policies that consider the objectives of the CLCPA. This is not a full inventory of this proceeding's objectives.

My concern is that the scope of this proceeding is broad enough to conceivably be consistent with what President Trump has in mind, as part of what he calls his Ratepayer Protection Pledge "to build, bring, or buy all of the energy needed for building and operating data centers; paying the full cost of their energy and infrastructure."

Or Texas Governor Greg Abbott's policy to ensure data centers protect their electric grid, conserve their water and respect their neighborhoods and pay their own way. Despite the similarities between the stated objectives, I don't think I'm going too far out on a limb to suspect that what President Trump and Governor Abbott have in mind are different outcomes than what we had in mind when we initiated this proceeding.

For instance, in my view, any consideration of a policy in relation to the CLCPA should mean that these new large loads do not

increase greenhouse gas emissions at all in any way, even indirectly, or that they eat up clean energy generation that could be used elsewhere. Specifically, I am concerned that what could emerge as something like a REC system or a zero-emission procurement policy, either of which could move towards achieving some of our stated goals without achieving all of them.

On the other hand, I can imagine a bring-your-own-generation policy. There requires a data center to build its own zero emission generation, pay for all the interconnectivity costs, and inflicts no environmental damage to the host community, including water and noise pollution, to result in regulations that make no economic sense for the data centers and that result -- that as a result, they choose to go somewhere other than New York.

We should not presuppose that this is an unacceptable paradigm for this Commission to establish. I'm not prejudging the outcome of this proceeding because we’re only at the beginning, but I would stress to anybody who chooses to participate in this proceeding the importance of thorough, well-documented, and comprehensive input as we build a

record upon which we will base any future decisions.

That said, I am voting yes on that and all other items on the consent agenda other than 265.

CHAIR CHRISTIAN: Thank you.

Commissioner Bright?

COMMISSIONER BRIGHT: Yes. Thank you, Chairman. No recusals.

I did want to comment on two items. The first one is Item 265, as Commissioner Maggiore just commented on Case number 22-M-0149. I'm -- my comments are in support of this item. I see one part of managing information is -- is being able to measure the components you are managing. As the Chairman early -- said earlier, you cannot manage what you cannot measure.

So this inventory is welcome even given that it is also making some changes based on the changes that happen in -- in the law this year. This Department and the Commission, our commitment to data-driven decisions is one of our key strengths. So I really thank the teams who've worked to bring this greenhouse gas inventory forward -- emissions inventory forward.

And then the second item I wanted to

comment on is 377, which is the Meter Socket Adapter Program, Case Number 24-E-0526. For me, this is another step in reducing soft costs, which is often a component that makes things more expensive. I see this order as a positive step for distributed energy resource deployment, for fostering innovation, and for customer choice, while also upholding our core responsibilities of safety and reliability. So thank you so much to Staff who brought this forward and for all the participants who -- who engaged in the stakeholder process.

CHAIR CHRISTIAN: Thank you.

Commissioner Sheehan?

COMMISSIONER SHEEHAN: Thank you, Chair. I have no recusals.

I'm going to comment on Item 386, Case 24-T-0446. The order adopts a joint proposal and grants a certificate of environmental capability and public need pursuant to Article 7 of the Public Service Law, to construct, operate, and maintain an approximately 90-mile transmission line through Suffolk, Nassau, Queens, Bronx, and Westchester Counties.

I want to thank the ALJs, the

settlement judges, the Staff, and the parties for the time and effort they put into this proceeding and into the settlement discussions. Based on my review of the record, the JP meets our legal requirements and conforms with our settlement guidelines.

The project is clearly needed to maintain sufficient system margins to maintain reliability and to meet current and escalating energy demands. I agree that the terms of the JP are just and reasonable and in the public interest, and I support the order, so I just wanted to share that. Thank you.

CHAIR CHRISTIAN: Thank you.

Commissioner Valova?

COMMISSONER VALOVA: Thank you. No recusals and no comments. Thank you.

CHAIR CHRISTIAN: Thank you.

I'll now conduct a call for vote.

My vote is in favor of the recommendations on the consent agenda.

Commissioner Alesi, how do you vote?

COMMISSIONER ALESI: Yes on all items.

CHAIR CHRISTIAN: Thank you.

Commissioner Valesky?

COMMISSIONER VALESKY: Yes on all items.

CHAIR CHRISTIAN: Thank you.

Commissioner Maggiore?

COMMISSIONER MAGGIORE: Yes on all items except for Item 265 as previously noted.

CHAIR CHRISTIAN: So noted. Thank you.

Commissioner Bright?

COMMISSIONER BRIGHT: Yes on all items.

CHAIR CHRISTIAN: Commissioner Sheehan?

COMMISSIONER SHEEHAN: Yes on all items.

CHAIR CHRISTIAN: Commissioner Valova?

COMMISSONER VALOVA: Yes on all items.

CHAIR CHRISTIAN: Thank you.

The items are approved -- thank you. The items are approved and the recommendations are adopted.

Madam Secretary, is there anything further to come before us today?

SECRETARY PHILLIPS: There is nothing

further.

CHAIR CHRISTIAN: All right. With that, I adjourn. Thank you, everyone, for your time.

(The hearing concluded at 11:36 a.m.)

STATE OF NEW YORK

I, TINA HOTALING, do hereby certify that the foregoing was reported by me, in the cause, at the time and place, as stated in the caption hereto, at Page 1 hereof; that the foregoing typewritten transcription consisting of pages 1 through 55, is a true record of all proceedings had at the hearing.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this the 19th day of September, 2026.

TINA HOTALING, Reporter