

BEFORE THE
NEW YORK STATE
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas & Electric Corporation
for Electric Service

Case 23-E-_____

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Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas & Electric Corporation
for Gas Service

Case 23-G-_____

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**DIRECT TESTIMONY OF THE
CLIMATE LEADERSHIP AND SUSTAINABILITY PANEL**

July 31, 2023

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V. INTRODUCTION

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Q. Please state the names of the members of the Climate Leadership and Sustainability Panel (“Panel”).

A. Our names are Stacey A. Renner, Melissa A. D’Antonio, Karen R. Lo, and Mark S. Sclafani.

Q. Mr. Renner, please state your current employer and business address.

A. I am employed by Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”) and my business address is 284 South Avenue, Poughkeepsie, New York 12601.

Q. Mr. Renner, in what capacity are you employed by Central Hudson and what is your scope of responsibilities?

A. I am employed by Central Hudson as Vice President of Innovation and Sustainability. In that capacity, I am responsible for Environmental, Social and Governance (“ESG”) planning and reporting; Energy Resources; Innovation; Research and Development; Environmental Affairs; Enterprise Risk Management (“ERM”); and Enterprise Work and Asset Management.

Q. Mr. Renner, what is your educational background and professional experience?

A. I hold a Bachelor of Arts degree in Economics from Union College (Schenectady, New York) and a Master of Business Administration degree in Finance from Marist College (Poughkeepsie, New York). I have been employed by Central Hudson for a total of twenty-five years. I joined

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1 Central Hudson in 1990 and worked as a rate analyst until 1996. In that
2 role, my responsibilities included electric sales, customer and revenue
3 forecasting, electric rates, and related analysis. From 1996 through 2003,
4 I was employed by International Business Machines (“IBM”), where I
5 worked as a financial analyst and finance manager. In those roles, I
6 provided financial support for various units of IBM Global Services,
7 including business cases and discounted cash flow analysis, as well as
8 many aspects of corporate and strategic planning. In 2003, I re-joined
9 Central Hudson as Director - Investment Planning and Analysis. In 2005, I
10 was appointed Assistant Treasurer, and then was promoted to Treasurer
11 in 2006. I was transferred into my current role in 2022.

12 Q. Mr. Renner, have you previously testified before the New York State
13 Public Service Commission (“PSC” or the “Commission”)?

14 A. Yes. I testified directly in Central Hudson’s last five rate cases: Cases 08-
15 E-0887 and 08-G-0888; Cases 09-E-0588 and 09-G-0589; Cases 14-E-
16 0318 and 14-G-0319; Cases 17-E-0459 and 17-G-0460; and Cases 20-E-
17 0428 and 20-G-0429 and submitted rebuttal testimony in the Fortis, Inc.
18 (“Fortis”) - Central Hudson merger case, Case 12-M-0192. I also oversaw
19 the preparation and submission of Central Hudson’s six financing
20 petitions: Case 06-M-0785, Case 09-M-0308; Case 12-M-0172; Case 15-
21 M-0251; Case 18-M-027; and Case 21-M-0365.

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1 Q. Ms. D'Antonio, please state your current employer and business address.

2 A. I am employed by Central Hudson and my business address is 284 South
3 Avenue, Poughkeepsie, New York 12601.

4 Q. Ms. D'Antonio, in what capacity are you employed by Central Hudson and
5 what is your scope of responsibilities?

6 A. I am employed by Central Hudson as Director of Sustainability and Risk.
7 In that capacity, I am responsible for overseeing the organization's
8 sustainability and risk management programs. In this role I manage the
9 Company's sustainability efforts, assisting with the integration of ESG
10 concepts across all business areas. I also manage the corporate
11 insurance program and facilitate the end-to-end ERM program for the
12 Company.

13 Q. Ms. D'Antonio, what is your educational background and professional
14 experience?

15 A. I hold an Associate of Applied Science degree in Nutrition and Food
16 Service Management from Dutchess Community College (Poughkeepsie,
17 New York) and a Bachelor of Science degree in Technology Management
18 from Marist College (Poughkeepsie, New York). I have been employed by
19 Central Hudson for three and a half years. I initially joined the Company
20 as the Contracts Administrator and was promoted to the role of Contracts
21 Supervisor, overseeing the Company's contracts management process. I
22 was promoted into my current role in October of 2022. Prior to working for

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1 Central Hudson, I was employed by GlobalFoundries as the Northeast
2 Commodity manager – Capital Equipment Procurement, where I was
3 responsible for negotiation of contracts, systems, skilled labor and parts
4 purchasing. From 1999 to 2015 I worked for IBM in a variety of technical
5 positions in both the Engineering and Manufacturing organizations.

6 Q. Ms. D’Antonio, have you previously testified before the Commission?

7 A. No, I have not.

8 Q. Ms. Lo, please state your current employer and business address.

9 A. I am employed by Central Hudson and my business address is 284 South
10 Avenue, Poughkeepsie, New York 12601.

11 Q. Ms. Lo, in what capacity are you employed by Central Hudson and what is
12 your scope of responsibilities?

13 A. I am employed by Central Hudson as the Company’s Sustainability
14 Coordinator. In that capacity, I am responsible for coordinating and
15 supporting the identification of strategies and initiatives that support
16 Central Hudson’s sustainability goals and emissions reduction progress
17 along with ESG reporting and disclosure.

18 Q. Ms. Lo, what is your educational background and professional
19 experience?

20 A. I hold a Bachelor of Science degree in Environmental Science from
21 Rutgers University (New Brunswick, New Jersey) and a Master of Science
22 degree in Management from Rensselaer Polytechnic Institute (Troy, New

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1 York). I have been employed by Central Hudson since March of 2008. I
2 was hired as an Assistant Environmental Specialist and was promoted to
3 various environmental positions including Environmental Specialist and
4 Environmental Coordinator since the beginning of my employment with
5 Central Hudson in March of 2008. In December of 2022, I started my
6 current role as the Company’s Sustainability Coordinator. Prior to my
7 employment with Central Hudson, I worked for the United States
8 Department of Defense for eight months and Kleinfelder, Inc. for two
9 months.

10 Q. Ms. Lo, have you previously testified before the Commission?

11 A. No, I have not.

12 Q. Mr. Sclafani, please state your current employer and business address.

13 A. I am employed by Central Hudson and my business address is 284 South
14 Avenue, Poughkeepsie, New York 12601.

15 Q. Mr. Sclafani, in what capacity are you employed by Central Hudson and
16 what is your scope of responsibilities?

17 A. My current position is Senior Director of Energy Policy and Regulation.

18 Q. Mr. Sclafani, what is your educational background and professional
19 experience?

20 A. I graduated from SUNY Binghamton in 2008 with a Bachelor of Science in
21 Mechanical Engineering. I began working at Central Hudson in 2008 as a
22 Junior Gas & Mechanical Engineer. From 2009 to 2012, I was an

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1 Assistant Energy Efficiency Engineer for the Company: developing,
2 implementing, and evaluating energy efficiency programs. From 2012 to
3 2015, I was an Associate District Director of Business Development,
4 where I was responsible for new business and key account management
5 within the Kingston and Newburgh districts. In 2015, I took on the role of
6 Senior Program Coordinator of Demand Response. In September of
7 2017, I assumed additional responsibilities associated with the role of
8 Director of Energy Efficiency and Demand Response, including but not
9 limited to oversight of the Company’s energy efficiency portfolio. In
10 October of 2021, I was promoted to Senior Director of Energy Policy and
11 Regulation.

12 Q. Mr. Sclafani, have you previously testified before the Commission?

13 A. Yes, I have testified before the Commission in Cases 17-E-0459, 17-G-
14 0460, 20-E-0428 and 20-G-0429.

15

16 **VI. PURPOSE OF TESTIMONY**

17 Q. What is the purpose of the Panel’s testimony in these proceedings?

18 A. Central Hudson has made substantial efforts and investments to facilitate
19 and support New York State’s decarbonization and environmental justice
20 objectives as established within New York State’s Climate Leadership and
21 Community Protection Act (“CLCPA”). The Panel will first outline the
22 requirements of the CLCPA itself, as well as the outcomes of the

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1 Company’s facilitation and support of the CLCPA goals. The Panel will
2 explain the need for a deferral mechanism for costs that are incurred in
3 support of CLCPA compliance. The Panel will also present the
4 Company’s completed, ongoing, and planned activities that are consistent
5 with the CLCPA, including the Company’s Sustainability Strategy and
6 Efforts; Climate-Driven Planning, Studies, and Reporting; Gas Initiatives;
7 Electric Vehicle (“EV”) Make Ready Programs (“MRP”), Supplemental EV
8 programs; Electrification of Central Hudson’s fleet; and the Company’s
9 Onsite Solar Proposal. The Panel will explicitly identify the Company’s
10 proposed CLCPA-aligned initiatives and associated recovery mechanisms
11 within this proceeding.

12 Q. In its Order on Implementation of the CLCPA, issued and effective May
13 12, 2022, in Case 22-M-0149, the Commission has directed the utilities
14 include the impacts of their investments, capital expenditures, programs
15 and initiatives on greenhouse gas emissions from their gas networks.
16 Does this analysis comply with that requirement?

17 Q. Yes. Exhibit CLSP-1 includes impacts on our gas network from gas
18 energy efficiency programs, development of a thermal network, RSG
19 purchases, and replacement of leak-prone pipe. In addition, Central
20 Hudson is continually evaluating its natural gas system for opportunities to
21 reduce its emissions (e.g., changing controllers at Gate Stations to reduce
22 the amount of vented gas) and reprioritizes its work plans, as necessary.

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1 Q. Is the Panel sponsoring any exhibits in support of its testimony?

2 A. Yes. This Panel is sponsoring the following exhibits that were prepared by
3 or under the direction of the Panel or one of its members:

4 Exhibit __ (CLSP-1) contains CHGE Impact GHG Assessment;

5 Exhibit __ (CLSP-2) contains Disadvantaged Communities (“DACs”)

6 Emissions Analysis; and

7 Exhibit __ (CLSP-3) contains EV Charging Site Assessment Service and

8 EV Education and Outreach Initiative details.

9

10 **VII. CLCPA AND CAC SCOPING PLAN**

11 Q. What is the CLCPA?

12 A. The CLCPA is New York State legislation that was signed into law on July

13 18, 2019. The CLCPA mandates substantial reductions in GHG

14 emissions across all sectors of the state’s economy and accelerated

15 deployment of clean energy technologies. There are many critical

16 milestones established within the CLCPA, including a 40% reduction in

17 statewide GHG emissions by 2030, 70% of electricity generated by

18 renewable sources by 2030, 100% of electricity generated by emissions

19 free sources by 2040, and an 85% reduction in statewide GHG emissions

20 by 2050. The CLCPA also has provisions to ensure benefits of clean

21 energy investments accrue to disadvantaged communities.

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1 Q. What is the Scoping Plan?

2 A. The CLCPA directed the establishment of a Climate Action Council
3 (“CAC”), which is a 22-member appointed body charged with developing a
4 Scoping Plan to serve as the roadmap to achieve the State’s progressive
5 clean energy and climate goals. In accordance with the CLCPA, the CAC
6 developed its final Scoping Plan in December of 2022, after releasing its
7 Draft Scoping Plan in 2021 and a subsequent period of public review and
8 input. The Scoping Plan presents three Scenarios which serve as
9 proposed roadmaps for how the State might achieve the goals of the
10 CLCPA, and recommendations for additional legislation and new
11 regulations affecting the electricity and gas sectors plus the transportation,
12 buildings, industry, agriculture, forestry, and waste sectors. Estimated
13 costs through 2050 of these recommendations, as calculated from the
14 Plan’s technical appendices, are about \$300 billion in 2020 in net present
15 value terms. To the extent that these recommendations are adopted,
16 Central Hudson along with the other utilities in New York and their
17 customers will face rapidly increasing requirements to support new
18 renewable generation and electrification initiatives in the transportation
19 and buildings sectors.

20 Q. Why is Central Hudson seeking a deferral mechanism for costs related to
21 CLCPA compliance?

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- 1 A. To meet the near- and mid-term milestones set forth in the CLCPA, it is
2 likely that new legislation and/or regulations will require accelerated
3 development of new programs, technologies, projects, and other
4 compliance efforts beyond what is proposed by this Panel, the costs of
5 which are unknown and uncertain at this time. To the extent that CLCPA
6 compliance requires the Company to make incremental investments within
7 the term of this rate plan, and those costs are not otherwise addressed
8 within generic proceedings, the deferral would ensure the necessary
9 funding is available to fully comply with state requirements on a timely
10 basis. This deferral has been reflected within the testimony of the
11 Accounting and Tax Panel.
- 12 Q. Has the Company estimated the emissions reductions associated with its
13 CLCPA-aligned initiatives?
- 14 A. Yes. Central Hudson commissioned Cadmus, an experienced strategic
15 and technical consultant, to conduct a comprehensive analysis of the
16 emissions reductions associated with each Central Hudson initiative for
17 which these emissions reductions are quantifiable. These included newly
18 proposed initiatives, core business activities like energy efficiency
19 programs and leak-prone pipe elimination, and contributions from
20 renewables programs that Central Hudson customers are supporting. The
21 relative contribution of these efforts was included in an analysis of the
22 progress within Central Hudson's territory towards achieving the CLCPA

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1 target of a 40% reduction in statewide greenhouse gas (“GHG”) emissions
2 from 1990 levels by 2030.

3 Q. Please describe the results of the emissions analysis.

4 A. The analysis shows that Central Hudson’s initiatives implemented
5 between 2020 and 2030, including those proposed by the Company within
6 this proceeding, would result in 2.66 million metric tonnes of CO₂
7 equivalent (“CO_{2e}”) reductions by 2030, compared to an allocated target
8 of 1.91 million metric tonnes by that same year, indicating that these
9 initiatives provide a strong foundation for the achievement of the 2030
10 CLCPA targets which is dependent on statewide renewables procurement.
11 A summary of the results is in Exhibit __ (CLSP-1). Furthermore, the
12 Company estimates that 48% of the GHG benefits would accrue directly to
13 customers within DACs.

14 Q. How did Central Hudson estimate the accrual of benefits to DAC
15 customers?

16 A. Central Hudson is not aware of an established methodology to assign
17 benefits from CLCPA-related initiatives to DACs. For certain projects,
18 such as the Utility Thermal Energy Network, Central Hudson identified
19 what portion will occur directly within a DAC and assigned the benefits
20 proportionally. For broader system-wide and statewide initiatives, the
21 Company assigned the benefits proportionally based on relevant
22 geographical data available for the service territory. Further detail is

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1 shown in Exhibit __ (CLSP-2). To the extent that a different methodology
2 is developed and adopted within a generic proceeding or other forum as
3 appropriate, the Company will incorporate any necessary changes to this
4 analysis.

5

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VIII. CURRENT AND ONGOING EFFORTS

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A. SUSTAINABILITY STRATEGY & EFFORTS

8

Q. What is the Company’s sustainability approach and strategy?

9

A. The transition to a sustainable energy future has many pathways within
10 industry sectors, among customers and through policy development. The
11 State’s ambitious climate goals will require an “all of the above” approach
12 which should include and embrace a wide variety of technologies,
13 approaches, programs, and business models. Central Hudson is
14 dedicated to meeting the expectations and requirements established by its
15 stakeholders through the integration and implementation of sustainability
16 principles (that cover areas from environmental protection to just
17 transition) and climate change strategies. Central Hudson’s strategy and
18 business planning processes reflect this approach. We are collaborating
19 with peer companies, industry organizations and others to explore
20 innovative solutions that meet our modernization and sustainability
21 objectives. Central Hudson has increased engagement and strives to be

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1 inclusive of all stakeholders to inform our planning approach and prioritize
2 investments with direct benefits to DACs.

3 Q. What type of efforts has Central Hudson taken to fulfill its sustainability
4 strategy?

5 A. Central Hudson has taken significant steps to enhance corporate focus on
6 sustainability and incorporate climate change considerations into its
7 operations. These efforts include, but are not limited to:

8 1) Established corporate-wide direct GHG emissions reduction goals.

9 2) Completed a Sustainability Priorities Assessment with the support and
10 expertise of Electric Power Research Institute (“EPRI”) to build upon
11 existing Central Hudson efforts to understand stakeholder interests,
12 inform future sustainability reporting and related communications, and
13 advance a robust sustainability perspective to inform overall strategy.

14 3) Actively seeking innovative technologies and invest in alternative
15 technologies to find potential solutions to reduce climate change
16 impacts, including direct participation in the Low Carbon Resources
17 Initiative (“LCRI”).¹

18 4) Continuing to design and install transmission lines and structures to
19 withstand extreme weather conditions and establish more robust

1 The LCRI was created by EPRI and GTI Energy to accelerate the deployment of low- and zero-carbon energy technologies required for deep decarbonization of the economy.

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1 design standards including larger poles for all new distribution line
2 construction.

3 5) Continuing to identify best industry practices in sustainability through
4 participation with expert industry organizations and ongoing critical
5 climate assessments to inform future steps.

6

7 **B. CLIMATE-DRIVEN PLANNING, STUDIES, & REPORTING**

8 Q. How is Central Hudson planning for climate-driven risks to its electric
9 system?

10 A. In accordance with New York Public Service Law§66(29) and the Order
11 Initiating Proceeding, issued and effective June 16, 2022, in Case 22-E-
12 0222, the Company is currently developing a Climate Change Vulnerability
13 Study to evaluate the Company’s electric infrastructure, design
14 specifications, and procedures to better understand potential
15 vulnerabilities, with an anticipated completion in September 2023. To
16 address the results and conclusions of the study, the Company plans to
17 develop a Climate Vulnerability and Resiliency Plan by November 2023.
18 Additional details on Central Hudson’s efforts to address climate-driven
19 risks to its electric system can be found in the direct testimony of the
20 Electric Capital and Operations Panel and an associated new deferral is
21 discussed in the direct testimony of the Accounting and Tax Panel.

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- 1 Q. What has Central Hudson done to plan for the impacts on its electric
2 system associated with the actions consistent with achieving the targets of
3 the CLCPA?
- 4 A. Pursuant to the Commission’s Order Adopting Distributed System
5 Implementation Plan Guidance, issued and effective April 20, 2016, in
6 Case 14-M-0101, Central Hudson has developed and updated its
7 Distributed System Implementation Plan (“DSIP”) since 2016, with the
8 most recent DSIP being filed in June 2023. The DSIP provides extensive
9 information on comprehensive long-term planning needs for the electric
10 transmission and distribution systems, including the impacts of
11 electrification due to electric vehicles and heat pumps, and proliferation of
12 distributed generation across the system. Central Hudson is also actively
13 studying low-voltage transmission solutions to support increased levels of
14 renewable generation and storage resources in accordance with the
15 Coordinated Grid Planning Process developed in accordance with the
16 Proceeding on Motion of the Commission to Implement Transmission
17 Planning to the Accelerated Renewable Energy Growth and Community
18 Benefit Act under Case 20-E-0197. In addition, Central Hudson, and the
19 Joint Utilities² filed comments on August 10, 2022, in Case 21-M-0149 in

² The Joint Utilities are comprised of Central Hudson Gas and Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc. and Rochester Gas and Electric Corporation.

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1 support of utility development of large-scale renewables and energy
2 storage resources in order to supplement existing development pathways.

3 Q. What has Central Hudson done to align its gas system planning with the
4 CLCPA?

5 A. Pursuant to the Order on Implementation of the CLCPA, issued and
6 effective May 12, 2022, in Case 22-M-0149 and the Order Adopting Gas
7 System Planning Process, issued and effective May 12, 2022, in Case 20-
8 G-0131 (the “Gas Planning Proceeding”), the Company has undertaken
9 significant planning efforts. In collaboration with the other New York gas
10 distribution companies, the Company developed and submitted the
11 Greenhouse Gas Emissions Reduction Pathways Study proposal on
12 March 31, 2023, in Case 22-M-0149. This proposal, which is currently
13 pending before the Commission, provides for an objective evaluation of
14 decarbonization alternatives, including costs, risks, uncertainties, and
15 barriers. Second, Central Hudson is also currently developing its first
16 comprehensive Long-Term Gas System plan with a planned completion
17 date in January 2024. The Long-Term Gas System Plan will address 20-
18 year supply and demand forecasts, demand response programs,
19 availability of renewable natural gas, reliability standards, and proposed
20 solutions to reliability and meeting demand, as well as exploration of a “no
21 infrastructure” option and related non-pipes alternative (“NPA”) efforts, an
22 NPA screening process, leak-prone pipe, and impacts to Low-to-Moderate

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1 Income ("LMI") customers and disadvantaged communities. Third, and
2 also in collaboration with the other New York gas distribution companies,
3 Central Hudson developed a proposal for revising and updating emissions
4 inventory reporting. This proposal identifies data sources and
5 measurement issues that will be critical for monitoring the State's progress
6 in meeting the CLCPA's goals.

7 Q. Is Central Hudson seeking deferral for the costs associated with any of
8 these efforts?

9 A. Yes, as described in the Accounting and Tax Panel's direct testimony,
10 Central Hudson is seeking a deferral mechanism for incremental costs
11 associated with the Gas Planning Proceeding, such as support for Joint
12 Local Distribution Company filings and modernization of the gas planning
13 process.

14 Q. Did Central Hudson make commitments related to climate change or
15 sustainability efforts as part of its 2021 Rate Plan?

16 A. Yes, to promote clean energy along with the focus on the nexus between
17 energy and the environment, Appendix BB of Central Hudson's 2021 Rate
18 Plan included a set of environmental sustainability commitments, including
19 the development of a GHG emissions reduction plan. More details about
20 the status of each of these commitments was submitted within the Central
21 Hudson's Greenhouse Gas Emissions Reduction Plan on December 28,
22 2022 in Cases 20-E-0428 and 20-G-0429.

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C. GAS INITIATIVES

Q. What solutions has Central Hudson implemented to reduce natural gas-related emissions?

A. Central Hudson has implemented several initiatives including Operational Methane Reduction, the Enhanced Leak-Prone Pipe (“LPP”) Elimination Program, NPAs, and Responsibly Sourced Gas (“RSG”).

Q. Please describe the Company’s Operational Methane Reduction efforts.

A. The Company has begun piloting natural gas recompression technologies on Gas Transmission projects. Since 2020, this has resulted in the direct capture of 114 thousand standard cubic feet (“MSCF”) of methane emissions during transmission purging operations that would have normally been vented directly to the atmosphere. The Company has been proactive in addressing fugitive emissions from its distribution operations (setting repair goals that exceed the State’s mandated timeframes) and has been successful in substantially reducing its annual leak backlog over the past decade. The Company continues to replace aging equipment at regulator stations with equipment that reduces or eliminates the direct release of natural gas into the atmosphere. Finally, the Company regularly supports innovative solutions and R&D projects that promote detecting leaks sooner from both a safety and GHG emissions perspective.

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1 Q. What are the environmental benefits from the Company's operational
2 methane reduction efforts?

3 Q. Central Hudson's operational methane reduction efforts increase the
4 efficiencies of the delivery of natural gas to its customers. Delivering
5 natural gas more efficiently reduces the amount of direct GHG emissions
6 being released into the environment while supporting the climate change
7 goals established by the CLCPA.

8 Q. What environmental benefits has Central Hudson achieved through its
9 Enhanced LPP Elimination Program?

10 A. Central Hudson began its Enhanced LPP Elimination Program in 2016.
11 Since the start of the program through 2022, the Company has reduced
12 the fugitive methane emissions associated with LPP by approximately
13 66%. More information on this initiative can be found in the direct
14 testimony of the Gas Capital and Operations and Gas Safety Panels.

15 Q. Please summarize Central Hudson's NPA program.

16 A. The NPA program consists of projects designed to displace the need for a
17 traditional gas infrastructure investment. In the context of avoiding capital
18 for LPP elimination, an NPA project seeks to convert natural gas
19 customers to customers who are supplied by alternate forms of energy,
20 such as electricity, allowing for the retirement of non-essential sections of
21 LPP. In its Initial Implementation Plan and Compliance filing on June 14,
22 2019, within Cases 17-E-0459 and 17-G-0460, Central Hudson entitled

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1 this type of NPA a “Transportation Mode Alternative.” As of March 31,
2 2023, Central Hudson has completed four Transportation Mode
3 Alternative projects in Newburgh, Beacon, Fishkill, and Poughkeepsie.
4 Through these efforts, nine homes have been fully electrified, and 2,072
5 feet of LPP has successfully been retired. Additional locations are
6 currently under review or in various stages of marketing and
7 implementation, with new cases being brought forward by the Company’s
8 Gas Planning Department as Distribution Improvement Projects are
9 identified and scheduled.

10 Q. Does Central Hudson plan to implement all identified Transportation Mode
11 Alternative NPAs within the Rate Year?

12 A. As required by the 2018 Rate Plan and continued in the 2021 Rate Plan,
13 potential projects must undergo a comprehensive benefit cost analysis
14 and an implementation plan must be developed and executed. For those
15 NPA projects that move to implementation, it is typically most cost
16 effective for them to be completed at the same time as the elimination of
17 other LPP on the same section of the gas system. Therefore, some
18 projects may be implemented under the 2021 Rate Plan, with the
19 remaining projects implemented thereafter and until all LPP is eliminated
20 from Central Hudson’s infrastructure. In addition, not all projects that
21 move to the implementation phase will result in 100% of customers
22 agreeing to participate. In instances where customers are unwilling to

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1 participate, the NPA will not proceed and LPP will need to instead be
2 eliminated via capital replacement.

3 Q. Are Transportation Mode Alternative NPAs the only types of NPAs that
4 Central Hudson is pursuing?

5 A. Central Hudson is pursuing other NPAs in accordance with its NPA
6 Suitability and Screening Criteria filed with the Commission on August 10,
7 2022, in Case 20-G-0131. To assist with identifying these opportunities,
8 Central Hudson has completed its “Locational Specific Gas Avoided
9 Distribution Costs” study, filed on June 18, 2020, in Cases 17-E-0459, 17-
10 G-0460, and 18-M-0084.

11 Q. Is Central Hudson proposing any changes to its NPA program?

12 A. At this time Central Hudson proposes to continue the implementation of its
13 NPA program as described in the 2021 Rate Plan, including the NPA
14 Incentive Mechanism and Revenue Requirement Deferral Mechanisms
15 described therein. These mechanisms are further contemplated in the
16 August 10, 2022, Joint Local Distribution Companies’ filing to the
17 Commission for Incentive Mechanisms and Cost Recovery in Case 20-G-
18 0131.

19 Q. What is RSG?

20 A. RSG is natural gas obtained from suppliers that proactively manage their
21 methane emissions through an independent third-party measurement and
22 certification to attest that the gas was produced under specified best

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1 practices for methane mitigation as well as best practices for other vital
2 environmental categories, such as water use, land use or community
3 engagement.

4 Q. What are the benefits of RSG?

5 A. The Company has determined through a recent pilot project that the
6 procurement and distribution of RSG has a significant impact on reducing
7 GHG emissions compared to traditionally sourced natural gas. This
8 indicates that utilities can successfully influence natural gas production
9 companies to invest in technologies and equipment to certify their natural
10 gas product as responsibly sourced. RSG results in an approximately
11 82% reduction in upstream production (wellhead) emissions which is the
12 primary source of natural gas emissions. RSG can also be delivered at a
13 minimal incremental cost compared to other emissions reduction
14 alternatives (e.g., Renewable Natural Gas).

15 Q. Describe the Company's current RSG efforts.

16 A. In support of the CLCPA's decarbonization efforts, Central Hudson has
17 prioritized the purchase of RSG over traditionally sourced gas when
18 possible. As detailed in the Electric and Gas Procurement Panel
19 testimony, Central Hudson is currently required to seek the lowest
20 reasonable natural gas and electric supply purchase costs for its
21 customers, subject to reliability and contractual constraints. The Company
22 will continue to request separate pricing for RSG as part of its periodic

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1 competitive supply RFPs and will purchase RSG when competitive RFP
2 pricing is at or less than the weighted average cost of natural gas supply.

3 Q. Are gas initiatives discussed elsewhere in the Company’s testimony?

4 A. Yes, gas initiatives are discussed in the direct testimonies of the Gas
5 Capital and Operations Panel and Gas Safety Panel.

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IX. PROPOSED FUTURE INITIATIVES

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A. GAS INITIATIVES

9 Q. Is the Company proposing to implement new gas initiatives in support of
10 New York State’s CLCPA goals?

11 A. Yes, Central Hudson is proposing two gas initiatives that are designed to
12 support the State’s CLCPA goals; 1) an enhanced utilization of RSG; and
13 2) an assessment of potential sites for on-site clean hydrogen production.

14 Q. What are the Company’s objectives regarding enhanced utilization of RSG
15 for its full-service customers?

16 A. As discussed further within the Electric and Gas Procurement Panel’s
17 direct testimony, Central Hudson is seeking to expand its ability to
18 purchase RSG even when it is not identified as the lowest base supply
19 option. This will allow greater utilization of RSG in serving system gas
20 loads, leading to further reduction of fugitive methane emissions.

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1 Q. How does a third-party firm certify that the RSG is produced under the
2 best practices for methane mitigation and best practices?

3 A. The GHG emissions reductions are verified through the measurement and
4 reporting of operational and fugitive methane emissions at upstream
5 natural gas facilities. Continuous (24/7, minute-by-minute), emissions
6 monitoring devices are utilized to detect, locate and quantify leaks,
7 allowing operators to make quick decisions to mitigate the effects and
8 accurately measure methane intensity. The Environmental Defense Fund
9 has recognized the value of continuous monitoring in its Certification of
10 Natural Gas with Low Methane Emissions: Criteria for Credible
11 Certification Programs³ white paper.

12 Q. How does the procurement of RSG align with the State's emission
13 reduction goals?

14 A. By comparing the methane intensity of the RSG with the average methane
15 intensity of the traditionally extracted natural gas, the Company can
16 calculate the CO₂e abated. Under Environmental Conservation Law 75-
17 0101(13), statewide GHG emissions include upstream out-of-state GHG
18 emissions associated with the generation of electricity imported into the
19 State, or the extraction, transmission, and use of fossil fuels imported into
20 the State.

3 Lackner, Maureen, Mohlin, Kristina, Certification of Natural Gas with Low Methane Emissions: Criteria for Credible Certification Programs," [EDF Certification White-Paper.pdf](#). (Accessed April 1, 2023)

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1 Q. Are other utilities in New York State pursuing RSG programs?

2 A. Yes, Consolidated Edison (in Case 22-G-0065), Orange and Rockland
3 Utilities (in Case 21-G-0073), New York State Electric & Gas Corporation
4 (in Case 22-G-0318), and Rochester Gas and Electric Corporation (in
5 Case 22-G-0320) are pursuing RSG pilot programs.

6 Q. Please describe the objectives of Central Hudson’s proposed Clean
7 Hydrogen Feasibility Study.

8 A. The objectives of the study are to identify portions of its distribution system
9 where hydrogen blending activities could be successful and identify
10 project sites that can utilize hydrogen for both gas heating and industrial
11 process load.

12 Q. Why is Central Hudson proposing a Clean Hydrogen Feasibility Study?

13 A. Central Hudson’s pipeline infrastructure is an important resource that,
14 when combined with low-carbon fuels, is available to support
15 decarbonization, particularly within sectors of the economy that are hard to
16 electrify. Central Hudson will gain experience with hydrogen technology
17 while identifying barriers to implementation, market readiness, customer
18 interest, while leveraging the existing pipeline infrastructure within our
19 unique service territory and contributing to the State’s GHG emissions
20 reductions goals.

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1 Q. What will the criteria be for selecting suitable locations within the Clean
2 Hydrogen Feasibility Study?

3 A. The Company will seek to identify multiple locations with an anticipated
4 high utilization rate. The Study will focus on large industrial customers
5 where generation and blending of hydrogen can be completed on site.
6 Similarly, the Study will seek to identify locations where hydrogen is
7 currently utilized as an end use. The Study will also identify portions of
8 the gas distribution system that would be ideal to test natural gas blended
9 with hydrogen. Other criteria may include whether any viable sites are
10 located within a DAC. Criteria for selection of potential sites will be
11 expanded or narrowed as required to optimize the program.

12 Q. When will Central Hudson commence the Clean Hydrogen Feasibility
13 Study?

14 A. Central Hudson plans to issue a Request for Proposal (“RFP”) seeking an
15 experienced consultant to identify at least three industrial locations and at
16 least one distribution system by the end of the Rate Year.

17 Q. What are the goals of the Clean Hydrogen Feasibility Study?

18 A. The goals of the Clean Hydrogen Feasibility Study include:
19 • Study feasibility of various industrial sites and determine the capability
20 to introduce hydrogen production and blending equipment.
21 • Identify hydrogen project costs and benefits, and additional potential
22 use cases.

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- Identify the safety requirements for blending and transportation of hydrogen.
- Provide recommendations for the startup, operations, maintenance and monitoring for both pipeline facilities and customer equipment of a hydrogen blended network.
- Develop recommendations for gas quality monitoring.
- Develop the scope and size of a clean hydrogen production facility.
- Estimate GHG emission reduction benefits and any potential negative changes in the emission characteristics such as Nitrogen Oxide levels.
- Understand the challenges associated with installing and maintaining a hydrogen production system and blending equipment.
- Understand the siting constraints, technical and interconnection challenges, and overall scalability.

Varied studies or pilot projects across the state will create pathways for utilization and eventual scaling of the technology. This Study will be specific to Central Hudson’s unique service territory and industrial customers. Similarly, by targeting industrial customers, the Study will inherently focus on areas that have been traditionally hard to decarbonize. Central Hudson will gain valuable expertise in this area and allow for quicker adoption of the technology in the future if the pathway proves out.

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B. SUPPLEMENTAL EV PROGRAMS

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Q. Is Central Hudson currently implementing any programs to support EV adoption for its customers?

A. Central Hudson is currently offering a portfolio of EV programs to its customers including the Make-Ready Program (“MRP”), Residential Managed Charging Program, and an EV Time-of-Use Rate. The Company is also in the process of developing a Commercial Managed Charging Program, EV Load Management Technologies Program, Demand Charge Rebate, and an EV Phase-in Rate pursuant to the Commission’s January 19, 2023 Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures in Case 22-E-0236.

Q. What are the main barriers to increased light-duty vehicle electrification in New York?

A. The New York State Energy Research and Development Authority (“NYSERDA”) identified the following as the two greatest barriers: 1) a lack of awareness and education; and 2) range anxiety, due to a lack of sufficient charging infrastructure.⁴

⁴ <https://www.nyseda.ny.gov/-/media/Project/Nyserda/Files/Publications/Research/Transportation/21-06-New-York-State-Transportation-Electrification-Report.pdf>

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1 Q. Is Central Hudson proposing any new EV programs within this filing, and
2 do these new programs address the barriers identified by NYSERDA?

3 A. Yes. Central Hudson is proposing an EV Charging Site Assessment
4 Service (“EV SAS”) for Multi-Unit Dwellings and an EV Education and
5 Outreach Initiative (“Education Initiative”). The EV SAS is intended to
6 remove barriers to electrification by providing education and technical
7 assistance to customers within Multi-Unit Dwellings seeking access to low-
8 cost EV charging at or near homes, and the Education Initiative is
9 intended to educate the public and customers about the benefits of
10 transportation electrification, EV and EV charging options available in the
11 market, and how customers can take advantage of utility and stackable
12 incentives, such as those that may be available from state agencies.

13 Q. What are attributes, advantages, and proposed budget for the EV SAS?

14 A. The program is intended to provide crucial technical support to customers
15 seeking to install EV charging infrastructure at multi-unit dwelling sites,
16 with a focus on those located within DAC’s. The EV SAS program would
17 assist customers through the complex decision-making and design
18 process, culminating in a detailed site plan that is tailored to their site and
19 specific needs. Exhibit ____ (CLSP-3) provides a more detailed description
20 of the EV SAS, including discussion of the barriers faced by multi-unit
21 dwellings (and DACs in particular), the focus and structure of this
22 program, proposed partnering relationships, benefits, and projected

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1 budget and participation levels. As shown in the exhibit, Central Hudson
2 intends to serve 75 multi-unit and 25 public curbside customers over the
3 five-year program term with a total proposed five-year budget of \$934,375.
4 The Forecasting and Rates Panel’s direct testimony further describes the
5 cost recovery associated with this program.

6 Q. What are attributes, advantages, and proposed budget for the EV
7 Education and Outreach Initiative?

8 Q. Central Hudson proposes to expand its abilities to conduct outreach and
9 educational activities through a variety of outreach and communications
10 tactics to reach current and potential EV drivers. Key information will
11 include benefits of EVs, electric fuel costs, EV and EVSE makes and
12 models, and existing charging station locations. This will ensure that
13 customers have the latest information regarding Central Hudson’s MRP,
14 EV Time-of-Use Rate, Residential Managed Charging Program, as well as
15 the expected load management technology incentive program, demand
16 charge rebate, commercial managed charging and EV phase-in rate that
17 are expected to be implemented, pending Commission Orders. As shown
18 in the Exhibit __ (CLSP-3), Central Hudson proposes a \$600,000
19 investment over the five years of this application. A more detailed
20 description of the EV Education and Outreach Initiative can be found in
21 Exhibit __ (CLSP-3). The Forecasting and Rates Panel testimony further
22 describes the cost recovery associated with this program.

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C. ELECTRIFICATION OF FLEET

Q. Why is Central Hudson proposing to electrify a significant portion of its vehicle fleet?

A. Vehicle GHG emissions are the second largest direct GHG emissions from Central Hudson’s operations. The replacement of gasoline and diesel vehicles with electric vehicles reduces GHG emissions and minimizes environmental impacts. EVs do not utilize motor oils to operate their engines, which eliminates the potential for an unplanned release into the environment during operations throughout the service territory. Central Hudson’s fleet is also highly visible to our customers. Our utility operations require over 811 vehicles which are driven approximately 5.6 million miles per year. Through electrification of its fleet, Central Hudson’s will lead by example, further encouraging customers to consider electric alternatives for their personal vehicles commercial vehicles, or fleets.

Q. Does Central Hudson have additional fleet electrification goals?

A. Central Hudson has committed to spending at least 10% of our annual vehicle capital budget on the procurement of battery electric vehicle and/or plug in hybrid electric vehicles through 2025 and 50% of the annual vehicle capital budget or more by 2030 to infrastructure and electric-heavy duty vehicles and equipment. Additional details on the Company’s fleet

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1 electrification goal can be found in the direct testimony of the Common
2 Capital and Operations Panel.

D. ONSITE SOLAR

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4 Q. Does Central Hudson currently have solar generation at any of its
5 facilities?

6 A. Central Hudson does not currently utilize onsite solar generation for its
7 own consumption. The only exceptions are small panels used to maintain
8 power to independent equipment or instruments.

9 Q. Is Central Hudson considering installing solar generation infrastructure at
10 its facilities?

11 A. Yes, Central Hudson plans to introduce solar generation to offset its
12 electricity use at Company-owned facilities. Capital expenditures
13 associated with this proposal are reflected in the direct testimony and
14 exhibits of the Common Capital and Operations Panel.

15 Q. Did the Company consider rooftop or parcel (ground) systems? Or both?

16 A. The Company evaluated both system types, but rooftop currently is
17 preferable due to lack of available space for ground arrays.

18 Q. How is the Company determining where the systems will be installed?

19 A. The Company is planning to install the systems at locations where the roof
20 has either been recently replaced or will be replaced in the upcoming five
21 years. The Company is also planning to install on roofs that are mostly in
22 direct sunlight throughout the day, with limited mechanical equipment, and

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1 in the case of a sloped roof are pointed in the appropriate direction. The
2 Company has identified four proposed locations based on these criteria:
3 the Catskill, Kingston, Eltings Corners, and Poughkeepsie offices.

4 Q. How did the Company perform the site evaluations and estimate the
5 project costs?

6 A. The Company partnered with an experienced local solar developer to
7 assist with the site evaluations and project cost estimates are covered in
8 the common capital budget described in the Common Capital and
9 Operations Panel’s direct testimony.

10 Q. What size systems are being proposed?

11 A. The Company is proposing a 55 Kilowatt (“kW”) Direct Current (“DC”) capacity system for Catskill, a 750 kW DC capacity system for Kingston, a
12 240 kW DC capacity system for Eltings Corners, and a 55 kW DC capacity
13 system for Poughkeepsie. These sizes were determined based on project
14 cost, available space, and other factors such as maintaining access to
15 rooftop equipment.
16

17 Q. When does Central Hudson plan to install these systems?

18 A. The current plan is to install a solar system at one location per year. In
19 the Company’s proposed five-year plan, the Company would begin with
20 Catskill in 2025, Kingston in 2026, Eltings Corners in 2027, and
21 Poughkeepsie in 2028.

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1 Q. What are the benefits of this project?

2 A. Central Hudson strives to be a role model and leader in promoting local
3 and carbon-free technologies. The installation of solar panels at offices
4 will provide a good example for customers considering similar projects at
5 their home or business. Furthermore, Central Hudson will do its part to
6 support the state's ambitious solar generation goals while offsetting a
7 portion of its own use.

8 Q. How much electricity are these systems estimated to produce on an
9 annual basis?

10 A. It is estimated that the solar projects would generate approximately 67
11 Megawatt hours ("MWh") for Catskill, 928 MWh for Kingston, 303 MWh for
12 Eltings Corners, and 67 MWh for Poughkeepsie on an annual basis.
13 Once all projects are complete, they will generate an estimated 1,365
14 MWh per year.

15
16 **X. STAFFING NEEDS**

17 Q. Does the Company's climate change and sustainability efforts require
18 incremental staffing?

19 A. Yes, as described in the testimony and exhibits of the Workforce,
20 Compensation, and Benefits Panel, 45 incremental employees or
21 approximately 19% of the Company's proposed employee increase is
22 associated with the facilitation and achievement of the CLCPA targets.

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1 These employees are associated with Grid Modernization including
2 implementation of distribution automation and Volt/VAR Optimization
3 capabilities, interconnection of Distributed Energy Resources, the Utility
4 Thermal Network Pilot, Energy Efficiency Programs, support of the
5 Integrated Energy Data Repository, and other activities supportive of the
6 CLCPA. The Company has substantially increased its sustainability
7 activities and efforts to address climate change since its 2021 Rate Plan
8 was approved. In conjunction with the CLCPA and related regulatory
9 proceedings, the Company is integrating climate change and mitigation,
10 emissions reduction, and other sustainability activities into its planning,
11 business operations and performance management.

12 Q. Does this Panel's testimony discuss any of these incremental positions in
13 detail?

14 A. Yes, this Panel will discuss the need for a full-time employee to be added
15 to the Sustainability and Risk Management Department and the addition of
16 a Program Manager of Distributed Resources.

17 Q. Please discuss the need for the addition of an employee to the
18 Sustainability and Risk Management Department.

19 A. Coordination of the Company's efforts and reporting ESG requirements
20 were recently centralized in the Company's newly created Sustainability
21 and Risk Management Department. The department is tasked with driving
22 the Company's efforts for the development of a sustainable business

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1 environment, integration of ESG concepts across the business and to
2 assist with meeting decarbonization goals. The pace of work associated
3 with coordination of the Company's efforts to address climate change risks
4 and policies and meeting anticipated ESG reporting frameworks, including
5 forthcoming disclosure requirements from the Securities and Exchange
6 Commission, is only expected to increase. To ensure adequate and
7 continued support for the Company's vital climate and sustainability work
8 and forthcoming SEC reporting, it is anticipated additional headcount will
9 be needed. To meet the increasing demand, a full-time employee will
10 need to be added during the Rate Year to the Sustainability and Risk
11 Management Department. This incremental resource has been reflected
12 by the Workforce, Compensation, and Benefits Panel.

13 Q. Please describe the Program Manager of Distributed Energy Resources
14 role that is being proposed.

15 A. During the bridge period, the Company is proposing to add a Program
16 Manager of Distributed Energy Resources to support the increased
17 number of community distributed generation projects and the associated
18 timelines as well as new programs and modifications to compensation
19 such as net crediting, remote net crediting and Value Stack Phase II.

20 Q. Are there additional resources beyond those discussed in this testimony
21 that support the Company's climate change and sustainability efforts?

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1 A. Yes. In addition to the positions noted above, various resources currently
2 at the Company, and incremental resources requested in the Workforce,
3 Compensation, and Benefits Panel will provide ongoing support for
4 CLCPA-aligned initiatives.

5 Q. Does this conclude your direct testimony at this time?

6 A. Yes, it does.