NEW YORK STATE | Department of Public Service

**KATHY HOCHUL**
Governor

**RORY M. CHRISTIAN**
Chief Executive Officer

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**VIA ELECTRONIC FILING**

Sarah E. Simpson
Senior Counsel II
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399
Sarah.Simpson@nyserda.ny.gov

Re: Case 25-M-0249 – In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio

Dear Ms. Simpson, et. al.:

As required by the Public Service Commission's Order Authorizing the Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026-2030 (Order),[1] the major investor-owned utilities (Utilities)[2] and the New York State Energy Research and Development Authority (NYSERDA), jointly referred to as Program Administrators (PAs) filed a Customer Referral Plan (Plan) on August 22, 2025 in Case 25-M-0249. The Order directed PAs to develop the Plan in accordance with the provisions discussed in the body of the Order, which also directed Staff review and approval prior to the Utilities being granted access to funds budgeted for referral and coordination activities. In the Order, the Commission directed NYSERDA and the Utilities to develop and institute a process to ensure that low-income customers with the greatest energy burden will be prioritized for energy efficiency and weatherization services through the EmPower+ program. In addition, the Commission expressed that the current referral process that involves NYSERDA mailing applications to referred customers is administratively burdensome for NYSERDA and customers and called for an evolution in the referral process that emphasizes a coordinated approach and the use of email and text message-based outreach to customers.

[1] Case 25-M-0249, In the Matter of a Comprehensive Energy Efficiency and Building Electrification Portfolios, Order Authorizing Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026-2030 (issued May 15, 2025).

[2] Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), KeySpan Gas East Corporation d/b/a National Grid (KEDLI), The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), National Fuel Gas Distribution Corporation (NFG), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (NMPC), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

The filing has been reviewed by the Department of Public Service Staff (Staff) for compliance with the Order and Staff finds that the strategy presented is not responsive to the Order requirements in that the proposed approach is overly broad, with significant focus on general awareness activities as opposed to a strategy for targeting customers with the greatest energy consumption and facilitating their participation in the EmPower+ program. In addition, the plan is ambiguous with respect to referral criteria, budget, and other aspects of the referral process. Therefore, Staff directs the PAs to proceed with a more-focused approach that addresses the referral objectives outlined in the Order, with a focus on electronic-based outreach and referral, as detailed below. In addition, the PAs are directed to update the Plan in consultation with Staff to reflect the targeted approach, including implementation milestones and opportunities for process improvement, as discussed below.

**Referral Criteria**

Within the Plan, the PAs identify utility-specific criteria for prioritizing customers for referral to EmPower+. The criteria presented to identify "high-need" or "highest usage" customers varies from company to company, introducing potential inequities in reaching customers with the highest energy burden in each utility territory, as well as complications in assessing the relative effectiveness of each utility's referral efforts. While each company sorts customers by energy consumption, some companies use gross consumption thresholds, while others appear to use percentile thresholds or altogether undefined thresholds. In addition, the referral methodology described for each company in the Plan appears in most cases to set a specific number of referrals per month for each company, which may run counter to the Order requirement for NYSERDA to manage the project pipeline to improve the geographic distribution of EmPower+ projects. While nuance across utilities with respect to referral criteria might be reasonable for in some cases, the reason for the variance from standardized approaches should be clearly articulated. The PAs are directed to update referral criteria in consultation with Staff, to improve clarity for how each company is identifying and prioritizing customers for referral. The updated criteria should be included in an update to the Plan.

**The Referral Process**

The Plan outlines a series of outreach activities to be conducted by the PAs to increase awareness of EmPower+, including radio, billboard, and print advertising and tabling events. However, these general awareness activities are geared to drive awareness across a broad audience, as opposed to targeting specific customers for enrollment in EmPower+. Achievement of the Commission's goal of prioritizing program services for low-income customers with the greatest energy burden will require a concentrated effort by the PAs to re-focus outreach strategies toward communications that specifically target those individual low-income customers that the utility has identified as having the greatest energy consumption, for referral. Following the Commission's explicit directive for the PAs to conduct electronic outreach to improve EmPower+ referrals, Staff agrees with the proposed activities for email and text campaigns that build upon previous digital campaigns, and direct the PAs to implement an electronic referral process that prioritizes low-income customers with the greatest energy usage. The referral process should at a minimum include messaging on EmPower+ and provide seamless access for the customer to apply to the program via a link to an electronic application, as well as contact information for the program. However, it is important to note that application mailers may still be necessary for certain segments of the population as the Plan notes that approximately 10% of all applications to EmPower+ opt for the paper application. The PAs should include a strategy for balancing electronic outreach by the utilities and the provision of paper applications by NYSERDA in an update to the Plan.

The PAs should also agree upon a uniform strategy for email and text campaigns to those customers specifically identified for referrals. Staff also finds it appropriate for PAs to incorporate supplemental print and mail outreach, insofar as it is aimed at improving the conversion of utility-identified high-use customers. Accordingly, any print outreach like mailings or bill inserts should likewise be implemented in a targeted, coordinated and efficient manner. To the extent practicable, the PAs should co-develop campaign assets and materials rather than develop materials independently to achieve economies of scale.

The Plan appears to conflate a balanced distribution of referrals with a balanced distribution of completed projects. The LMI Order sets an expectation that NYSERDA will work to balance the geographic distribution of EmPower+ projects, which will require active management of the referral process that includes ongoing assessment of conversion rates, scaling, targeting, and refinement of referrals as necessary to manage the program pipeline of projects. Moreover, as outlined in the Order the PAs are expected to work together to improve the geographic distribution of projects, in particular for utilities that serve large portions of the state, or in regions of the state that EmPower+ has been less active, such as the North Country or Hudson Valley. Staff expects NYSERDA and the utilities to work together to synergize NYSERDA's project pipeline management with the utility electronic referral strategy to improve the conversion of projects in parts of the state that have historically received fewer projects, and document the strategy taken within an update to the Plan.

Staff appreciate that some PAs have not conducted large scale deployment of electronic outreach for EmPower+ to date, and that calibration of the approach taken may be required over time. Therefore, in consultation with Staff, the PAs should develop a plan for assessing the performance of the electronic referrals and the collective progress of the PAs and NYSERDA in increasing the distribution of completed projects, after 12 months of experience. This assessment should include an identification of aspects of the referral process that worked and didn't work, as well as plans to calibrate the approach taken. The assessment may also include the incorporation of other outreach and engagement strategies that can increase the likelihood that customers with the greatest energy burden receive service through EmPower+. The plan for conducting the assessment should be included in an updated Plan.

**Additional Considerations**

Within the Plan, NYSERDA proposes to conduct a process evaluation that would include an assessment of marketing and outreach efforts, the feasibility of establishing utility referral baselines with consideration for referral conversion rates and customer acquisition cost, and opportunities to streamline referral processes, among other things. Staff is supportive of a process evaluation, and NYSERDA is directed to consult with Staff on the scope of the evaluation.

In addition, the PAs introduce several additional considerations to help to streamline the referral process and improve the overall efficacy of utility referrals to EmPower+ including the use of a third-party vendor and the use of gift cards to incentivize customers to complete applications. Staff agrees with the principle that a third-party vendor could bring aggregated cost savings to implementing the Plan but find the specific use cases for the vendor described in the Plan inconsistent with the PAs stated desire for coordination. Staff expects future iterations of the Plan will bring more emphasis to joint strategies than individual company strategies. Staff does not regard gift card incentives for EmPower+ referrals as a prudent use of program funds.

Lastly, Staff finds the Plan fails to establish a sufficient baseline of performance from which future efforts will be measured, monitored, compared and replicated. Staff agrees with the proposal to meet with NYSERDA and the Utilities quarterly to leverage insights from previous studies and review progress towards improving the referral process. Therein, the PAs should work with Staff to establish relevant key performance indicators and targets consistent with the LMI EE/BE Performance Management Framework, to measure progress of utility referral efforts.

**Budget to Support EmPower+ Utility Referral Activities**

The Order identified that up to three percent of LMI EE/BE program budgets, or $13.4 million, of the EmPower+ budget may be utilized to support referral activities, contingent upon Staff's approval of the Plan. Ultimately, these funds should support the long-term goal of reducing overall administrative overhead associated with the referral process for the EmPower+ program, which presently relies on physical mailers. The PAs are directed to develop a budget for the implementation of an electronic-based referral process, as outlined herein. The budget should be developed in consultation with Staff and filed in an update to the Plan.

**Next Steps**

As discussed herein, the PAs should focus referral efforts specifically on utility electronic referrals from the utilities to priority customers, including a link to an application. Within 45 days from this letter, the PAs, following consultation with Staff, shall file an update to the plan to address the following:

- referral criteria that provide clarity for how each company is identifying and prioritizing customers for referral,

- a strategy for balancing electronic outreach by the utilities and the provision of paper applications by NYSERDA,
- a strategy for synergizing NYSERDA's project pipeline management with the utility electronic referral strategy to improve the conversion of projects in parts of the state that have historically received fewer project,
- a plan for assessing progress associated with electronic referrals after 12 months,
- an estimation of the number of referrals expected by each utility by month,
- a budget by utility for the first 12 months of referral activities, and
- a plan for undertaking a process evaluation of EmPower+ referrals, inclusive of utility referrals and other sources of referrals.

Sincerely,
/s/
Marco L. Padula
Director, Office of Markets & Innovation
Department of Public Service