

Stakeholder Webinar: Overview of LMI EE/BE Order, June 10, 2025

Compiled Q&A

Questions marked with an asterisk (*) were not answered during the webinar. Some questions and answers discussed during the webinar have been edited here for clarity and completeness.

Background and Context; LMI Portfolio Budgets

- 1. When the Orders refer to “downstate,” does that include Long Island (LIPA/PSEG territory), or does that only apply to downstate investor-owned utilities like Con Ed?**

A: References to “downstate” in the EE/BE Orders apply to the Investor-Owned Utilities (IOUs) that operate in the downstate area: Con Edison and the National Grid companies serving New York City (KEDNY) and Long Island (KEDLI).

- 2. Will downstate weatherization programs be accessible to LIPA customers?**

A: EE/BE program budgets are collected from ratepayers of New York’s large IOUs: Central Hudson, Con Edison, National Fuel Gas, National Grid, NYSEG, RG&E, and O&R. Long Island residents that are National Grid (KEDLI) gas customers pay into these programs and are eligible to participate. LIPA/PSEG electric customers who are not also KEDLI gas customers would not pay into these programs, and are therefore not eligible to participate.

PSEG-LI administers similar programs for LIPA/PSEG-LI customers, and DPS and LIPA coordinate on opportunities to build consistency between offerings that are available on Long Island and in the rest of the State. In addition, NYSERDA administers other funding sources that can be programmed on Long Island, including funds through the Regional Greenhouse Gas Initiative, the Home Energy Assistance Program, and any state budget appropriations. Inquiries about these other funding opportunities should be directed to NYSERDA.

- 3. If EmPower+ is funded by utilities, how will the funding be allocated or distributed to customers on Long Island? How will equal access to these technologies and building modifications be maintained once that pool of funding for Long Islanders runs out?**

A: See the answer to the question above for a discussion of how ratepayer-funded EE/BE programs relate to customers on Long Island. In the July 2023 Order Directing Proposals, the Commission designated NYSERDA as the primary administrator of LMI 1-4 family programs statewide for 2026-2030, to ensure more consistent programming across the state. As a result, the LMI HEAT program administered by KEDLI will transition to be covered by EmPower+. KEDLI filed a transition plan in coordination with NYSERDA in December 2024 under cases 23-G-0226 and 18-M-0084.

The LMI EE/BE Order directed NYSERDA to coordinate with LIPA to align offerings to enable comprehensive services that include electric and natural gas efficiency measures for LIPA and KEDLI customers, as well as to improve consistency between NYSERDA and LIPA programs to ensure that LMI customers on Long Island have access to the same EE/BE opportunities that are available throughout the State.

With respect to the other funding sources that NYSERDA administers through EmPower+, questions about how these funds are administered should be directed to NYSERDA, as DPS staff do not have oversight of those funds.

4. Will there be funding for municipal customers as well?

A: The EE/BE programs under discussion here are open to customers of New York's large IOUs. At the May 15th session, in addition to the LMI EE/BE Order, the Commission also issued a separate order related to energy efficiency program funding for New York Municipal Power Agency (NYMPA) member municipal utilities, which can be found in DMM under Case 24-E-0463. This order increased the funding for energy efficiency programming collected from customers of NYMPA member utilities from one mil (1/1000th of a dollar, or \$0.001) to two mils (\$0.002) per kWh. The total funding and programming vary by municipality. NYMPA members use the Independent Energy Efficiency Program (IEEP) to implement their energy efficiency, demand management, and clean energy programs.

As stated above, there are also additional statewide funding opportunities through NYSERDA that can support programming in municipalities.

5. Will any likely changes in Federal funding affect these 2026-2030 plans or it is all derived from NYS funding?

A: The budgets authorized in the LMI EE/BE Order are strictly ratepayer-funded, i.e. money collected on utility bills. The availability of these funds will not be impacted by changes to federal funding.

6. Are IRA HEAR funds still available for EmPower+?*

Questions concerning availability of IRA funds for EmPower+ should be directed to NYSERDA to ensure the latest information on the availability of Federal funding.

7. Could you please clarify what you mean by "fuel neutral" program administration? For example, as long as a customer pays into the System Benefits Charge through either their gas or electric bill, will they now be able to get measures for all their fuel sources? Does that include households heating with delivered fuels?

Fuel neutrality refers to the ability for program administrators to fund measures regardless of the commodity. Customers that heat with a delivered fuel or steam can participate in EE/BE programs if they are an electric customer that pays into these programs through their electric bill.

Administration and Oversight

8. Will the engagement portion of the plan include specific requirements to show how stakeholder ideas are integrated into programs, rather than just allowing PAs to say "yeah, we did that"?

A: The LMI EE/BE Order states at page 47, "In the design and implementation of EE/BE programs, the Commission expects that PAs and DPS Staff will prioritize early engagement of stakeholders [and] identify and incorporate feedback into programs." In developing the LMI Implementation Plan, PAs are expected to identify feedback from stakeholders and discuss why that feedback was or wasn't included.

Program Areas and Considerations

9. How will you evaluate the Clean Energy Hubs when our most referred program (EmPower+) will see its funding cut by 2/3 for the next five years? How do you expect us to grow in our role?*

A: The LMI EE/BE Order does not cut funding to EmPower+, in fact it increases the overall ratepayer-funded budgets to LMI programs by \$132 million a year over current funding levels. NYSERDA incorporates funding sources other than ratepayer funds into EmPower+, including funds allocated through the Regional Greenhouse Gas Initiative (RGGI), the Home Energy Assistance Program (HEAP), and New York State Budget appropriations. DPS staff are unable to address questions on funding outside of ratepayer funds. Stakeholders should engage NYSERDA if there are questions on these other funding sources.

With respect to evaluating the Clean Energy Hubs, the Hubs play a number of functions beyond enrolling customers into EmPower+, including providing awareness and engagement of customers on energy issues and programs at the local level, providing energy education, and the referral of customers into other programs including utility-administered programs. Evaluation of the Hubs will be based on consideration of all of these functions.

10. NYSERDA's provisional approval process has already driven contractors serving underserved areas out of LMI program participation and into layoffs. How do you reasonably expect to improve geographic uptake when the EmPower+ program is projecting to shrink 30% each of the next two years?

A: DPS Staff are aware of concerns related to the current availability of funding for EmPower+ and that NYSERDA is implementing a process to manage the pipeline of applications and projects in process through EmPower+. DPS Staff will work with NYSERDA to better understand the current challenges, and are available to discuss stakeholders' concerns in further conversation. However, these challenges are largely separate from the ratepayer-funded budgets for 2026-2030 set by the LMI EE/BE Order, which are the focus of this webinar. Under this Order, we will see increased budgets going into EmPower+.

In the LMI EE/BE Order, the Commission makes it a priority that LMI customers paying into the surcharge should have access to the LMI programs no matter where they are in the state, and calls for further improvements in that regard.

11. Contractors are already going out of business and laying off workers they invested in training. What emergency stop gap funding measures will DPS and NYSERDA consider stopping the permanent depletion of this workforce? If you are not considering this, what workforce do you expect to implement your programs from 2026 to 2030?*

A: DPS Staff understands this question to relate to the current budget challenges and pipeline management practices addressed in the previous answer. DPS staff will seek to engage with contractors to better understand the issues before being able to answer this question.

12. How does DPS plan to work with the utilities to address energy bill insecurity that will inevitably result from the slowdown of LMI program funding?

A: The LMI EE/BE Order authorizes an overall increase in ratepayer funding for EmPower+ over the current levels. DPS Staff are aware of current challenges related to the project approval process for EmPower+ and will work with NYSERDA to better understand the issues. With respect to DPS working with utilities to address energy affordability for low-income customers, the Commission established an Energy Affordability Policy that sets an energy

burden goal of 6% for low-income customers. The Energy Affordability Program, administered by the utilities, provides bill discounts to enrolled customers to help achieve the 6% energy burden goal. In addition, for over a decade, the Commission has required utilities to identify and refer low-income customers to NYSEERDA for service under EmPower.

13. DPS Staff's presentation referred to a 50% incentive level for moderate-income households participating in EmPower+. Can you clarify whether this 50% incentive reflects a change from current EmPower+ program rules?

A: In the LMI EE/BE Order, the Commission declined to set specific incentive levels; however, the Commission did approve the proposal from NYSEERDA for EmPower+ program design considerations that included a subsidy for moderate income customers up to 50% of the project cost, with a cap on total incentives per project. DPS Staff expects that in the development of the Implementation Plans, NYSEERDA will seek and receive input from stakeholders on the incentive levels before finalizing incentive structure for the 2026-2030 programs.

The current Statewide LMI Joint Implementation Plan, which was filed on November 1, 2024, indicates that Moderate-income households are eligible for no-cost efficiency improvements up to \$5,000 per project. Relatedly, KEDLI HEAT offers all moderate-income customers a no cost home energy assessment and direct install energy efficiency and health and safety measures at no cost, with a 75% subsidy for customers within 61-70% AMI, a 50% subsidy for customers within 71-80% AMI, and a 25% subsidy for customers within 81-99% AMI for project scopes up to \$10,000.

14. Can you be more specific about what it means "to support electrification," with reference to the Order's provision that 15% of LMI program budgets are available to support electrification? Does this 15% represent an increase or decrease in the budget currently supporting electrification?

A: The allocation of 15% of program budgets to support LMI electrification is intended to incentivize heat pump adoption. This represents an increase over current ratepayer budget allocation to LMI electrification.

15. What parts of the state are dominating Empower+ program participation?

A: Based on Open NY data, there are pockets of upstate NY that seem to have the majority of EmPower+ projects. What the Commission is directing here is to improve the level of EmPower+ uptake across the board.

Data on projects funded through EmPower Plus, including project locations, can be found on Open NY at: https://data.ny.gov/Energy-Environment/Residential-Existing-Homes-One-to-Four-Units-Energ/4a2x-yp8g/about_data. Stakeholders can also review data provided in the Statewide LMI Portfolio Annual Report filed in case 18-M-0084: <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D04BF195-0000-C411-8D35-1ABFB4CD9312}>

16. The non-LMI sector doesn't have nearly the need or program demand of the LMI sector. About 4,500 Comfort Home projects were done in 2024. If and when the non-LMI portfolio can't spend their \$700 million/year allocation, can that money be reallocated to LMI programs?

The 2026-2030 Non-LMI program budgets will support a broad range of customers including residential, small business, commercial and industrial, and multifamily customers. In the case of

market rate residential programs, the utilities will be designing and implementing new programs. At this point, DPS can't predict what the demand will be for those future programs and cannot speculate on the potential uptake related to these programs nor what the course of action would be if the funds cannot be spent.

17. I work in an Outreach and Education unit and am in the field all the time. I am sure customers will be asking me questions about these programs. Is there a way that I can get more information or keep in the loop with developments on these programs?

A: To keep up to date with program developments, stakeholders can subscribe to the service list for Case 25-M-0249 (for more information, see <https://dps.ny.gov/participating-or-monitoring-psc-proceedings>). NYSERDA and the Utilities will conduct outreach and education related to the programs and the development and implementation plans, and DPS will lead quarterly stakeholder engagements on the LMI EE/BE Portfolio. You can also contact your local Regional Clean Energy Hub to stay in the loop on program developments.

18. As a Long Island contractor, do we face any changes as of today's current incentives? Are there any regulations that will lift some of the burden contractors face trying to find correct equipment under NYSERDA regulations to engineer projects to heat pump ready standards and decommissioning of current heating?

The KEDLI HEAT program administered by National Grid will shift to NYSERDA in 2026. In addition, PSEG-LI will be making its annual Utility 2.0 filing, which includes identification of proposed program updates for 2026, on July 1, 2026. See DMM Matter 14-01299. The LIPA board is responsible for adopting and/or modifying the proposal. DPS expects that on July 1st, PSEG-LI. Beyond that, DPS staff are unaware of any other changes to how LI contractors are working with ratepayer funded programs at this time.

19. Earlier in the presentation, DPS Staff mentioned that the Non-LMI Portfolio includes funding for Small Commercial programming. What kinds of offerings, incentives, etc. does that funding support?*

A: Some of the utility Non-LMI portfolios include offerings for small commercial customers. In particular, looking forward, some utilities have proposed specialized programs or incentives for small businesses located in Disadvantaged Communities. These and other small commercial offerings for 2026-2030 will be elaborated in the Non-LMI Portfolio implementation plans.

20. Green Jobs Green NY is not available for 1–4-unit houses. What are the other options to use funding for heat pumps, etc..

A: Pursuant to GJGNY legislation, NYSERDA offers financial assistance for eligible projects, defined in the legislation as “qualified energy efficiency services for a non-residential structure, a residential structure or a multi-family structure.” A “residential structure” is defined in the legislation as “a residential building that has four or fewer dwelling units.” Please visit the NYSERDA residential financing programs webpage for more information. <https://www.nyserda.ny.gov/All-Programs/Residential-Financing-Programs>.

21. Are there targeted/specific buildings that would be considered to be incentivized more than others?*

A: The LMI EE/BE Order identifies the need to prioritize service to low-income customers with the highest energy consumption. In addition, the Order outlines priorities for electrification projects, specifically, the Order states that buildings that heat with delivered fuels should be

prioritized, because these households are less likely to experience an increase in their energy bills following electrification. Beyond these instances, the Order does not identify priority building types for incentives.

22. As I understood it, we were told by NYSERDA that we would only be able to reserve a no-heat emergency replacement if the house also needs weatherization. Is this true? LMI households are using space heaters, which greatly increase electricity use.*

A: The LMI EE/BE Order specifies that for the use of ratepayer funding in the 2026-2030 timeframe, no-heat emergencies will be limited to low-income households that have been denied service through the HEAP Heating Equipment Repair and Replacement (HERR) Program. NYSERDA administers additional funding sources and questions regarding NYSERDA program process and eligibility should be referred to NYSERDA.

23. Is there an evaluation of the process of utilities identifying "high priority" clients and referring them to NYSERDA as well as enrolling them in utility programs?

A: The Order requires the utilities and NYSERDA to work together to develop a Customer Referral Plan. Within that plan, they are required to detail how customers are identified as high priority and how they are referred into programs.

Cross-Portfolio Activities

24. Some Disadvantaged Communities are served by municipal utilities. This creates a disconnect in serving Disadvantaged Communities and meeting the Climate Act goal of 40% of clean energy and energy efficiency investments going to Disadvantaged Communities.

A: DPS is focused on ensuring that ratepayer funding is deployed in a manner to meet the Climate Act goal for investments and benefits. New York State will be releasing guidance on the accounting of clean energy and energy efficiency investments and benefits, and this should include Communities served by municipal utilities. For more information, please visit: <https://climate.ny.gov/Resources/Disadvantaged-Communities-Criteria/Investments-and-Benefits-Reporting-Guidance>.

The Commission's recent order in Case 24-E-0463 regarding energy efficiency program funding for NYMPA municipal utilities, referred to above, also requires regular reporting of expenditures and benefits to ensure that that funding is advancing strategic energy efficiency and building electrification measures and supporting outreach in Disadvantaged Communities.

25. Do you believe that there is a danger of increasing gentrification and displacement by allowing PAs to count market rate customers in Disadvantaged Communities within the Climate Act goal of 40%?

A: From DPS Staff's perspective, distinguishing between Disadvantaged Communities and LMI populations is important. Disadvantaged Communities are defined by 40+ indicators of burdens and vulnerabilities with wide ranges (environmental issues, housing issues, demographic issues) that extend beyond income. It's not just income and poverty that define a Disadvantaged Community. In Upstate NY, there is a lot of dispersed poverty. Gentrification and transitioning communities are important social issues, and DPS is happy to work with others to address it wherever we can.

The Climate Justice Working Group had flagged some of these concerns early on in their development of the criteria for identifying Disadvantaged Communities. It was the Climate

Justice Working Group that decided that in addition to the 45 different indicators to define a geographic Disadvantaged Community, they would include low-income households outside of geographic Disadvantaged Communities for the purposes of benefits and investment accounting, to make sure those households weren't left out of the prioritization of climate-focused funding.

Strategic Framework

26. Is the installation of smaller heat pumps in anticipation of load reduction investments considered a partial electrification?

A: If the heat pump is supplemental to an existing fossil fuel heating system, then it would be considered partial, unless it is in the context of the phased electrification of a building of more than unit.

27. Are there incentives applicable towards gas continuation (steam traps and boiler controls)?*

A: The Order states that measures that improve the efficiency of existing combustion equipment will be allowed as Neutral when they are part of a more comprehensive project, for example through the AMEEP comprehensive pathway or EmPower Plus. More detail on the specific gas efficiency measures allowed will be included in the LMI Implementation Plan.

Regarding gas combustion equipment itself, the Strategic Framework only allows incentives for new gas combustion equipment in affordable multifamily buildings that are not feasible to electrify. PAs will include the criteria that will be used to identify appropriate use cases and the level of funding that will be allocated in the LMI Implementation Plan. The Order included the caveat that the funding level for such measures during the program period must be less than the proportional level of funding used for similar measures during the 2020-2025 program period. In one- to four-family homes, incentives for gas combustion equipment will be limited to emergency no-heat replacements for low-income customers in emergency no-heat circumstances who have been denied the Heating Equipment Repair or Replacement benefit offered through the HEAP Heating Equipment Repair and Replacement program, administered by OTDA.

28. In a recent National Grid email to participating contractors, they mentioned that starting in 2026, new combustion equipment must exceed the code minimums and provide proof that electrification is not feasible. Could you please speak to what criteria will be used to determine where electrification is not feasible?

What determines whether a multifamily building is "hard to electrify"?

A: The Order requires that the PAs develop an approach for this and include it in their implementation plans. DPS Staff expects that PAs will engage with stakeholders, contractors, and other market actors to inform their implementation plans.

29. If the Strategic Framework does not allow incentives for hybrid heating systems or for more efficient gas heating equipment for 1-4 family homes outside of emergency heat issues, how can we help these LMI families if we can't find a middle ground?

A: In the LMI EE/BE Order, the Commission places priority on weatherization for LMI homes and affordable multifamily buildings. Ratepayer funds are limited and the Commission is responsible for determining how these funds can be programmed for the greatest impact for LMI customers. The Order recognizes investment in weatherization as a no-regrets action and a necessary precursor to electrification. The Commission's decision not to incentive efficient gas combustion

equipment for 1-4 family homes is based in part on consideration of advancements in codes and standards that reduce the availability of lower-efficiency equipment and increase access to higher-efficiency equipment for those looking to replace their boilers or furnaces.

30. Could DPS play a role in helping Hubs and contractors resolve no-heat emergencies overall and coordinate between OTDA and NYSERDA? The current process takes about 3 weeks at minimum.*

A: Yes, DPS Staff recognize the importance of coordination across agencies and with market actors like the Hubs. DPS will continue to coordinate with both OTDA and NYSERDA and look for opportunities to streamline the current no-heat process.

31. For pre-weatherization health and safety measures, how much money is in the budget for 2026-2030? Is there an estimate of the average incentive available per project?*

A: The LMI EE/BE Order discusses the importance of enabling building decarbonization by first overcoming non-energy barriers. However, it also emphasizes that the magnitude of investment in direct EE/BE improvements needed to meet the State's objectives is already greater than ratepayer funding alone can supply. Adding non-energy home repairs to the responsibilities of the EE/BE portfolios would reduce the resources available for direct energy saving and building decarbonization measures. The Commission also identified a need for more data on the scope of health and safety barriers to EE/BE work, the nature and frequency of barriers encountered, and the cost of remediation measures. In the Order, the Commission authorized up to 10% of LMI program budgets to be used for remediation of health and safety barriers to building weatherization. The Commission established that the use of this funding will come with reporting requirements, and that Staff will revisit the approach to the issue based on insights gained after three years of data collection. The LMI EE/BE Order also encourages NYSERDA to coordinate with other programs and seek additional sources of funding to address pre-weatherization needs.

Further details about the LMI program budgets will be included in the Implementation Plan, expected September 2025.

Other Regulatory Matters

32. The Strategic Framework definitions include language about peak energy savings. Will there be a metric that focuses on peak energy reductions, particularly on the hottest/coldest days? Reducing peak is essential for managing the expense of building out the electrical grid.

A: The LMI Order discusses the importance of Peak load reductions and their benefits to reduce future system infrastructure, within the discussion of direct energy savings (page 124) as well as within Appendix A: Strategic Framework. The Order specifies that electric and gas demand reductions during peak periods will be tracked and reported.

Program Administrators currently report on Peak savings within Quarterly Scorecards filed in 18-M-0084, for all programs, including LMI programs within the Joint Plan. When reviewing the consolidated Scorecard, please see "Direct Fuel Peak Demand Reductions (MMBtu)" and "Direct Electricity Demand Reductions (MW)." See: https://data.ny.gov/Energy-Environment/NYSERDA-Clean-Energy-Dashboard-Progress-and-Plans-/3rux-yyd9/about_data

33. What does "cost recovery will be achieved through surcharge" by utilities mean?

A: Utility cost recovery refers to the process by which utility companies recoup the expenses incurred in providing services to their customers. As discussed in the LMI Order (page 117-119), under the current cost recovery methodology for utility EE/BE costs, certain EE/BE NENY utility expenses, such as labor for applicable staff, are recovered through retail rates for volumetric charges. In contrast, funds collected by the utilities to fund NYSERDA's programs have remained in the System Benefit Charge (SBC) or Conservation Incentive Program (CIP) for National Fuels Distribution's surcharge. In earlier program iterations, including the Energy Efficiency Portfolio Standard (EEPS), utility programs were also collected through the SBC or CIP. See Order Authorizing Utility-Administered Energy Efficiency Portfolio Budgets and Targets for 2016 - 2018 within Matter 15-M-0252 for further details related to the transition of surcharges for EEPS Transition and NENY programs.

The Commission notes in the LMI Order that utility programs will be collected through a surcharge because there is increased transparency to stakeholders and accountability to all parties in moving certain expenditure categories to a surcharge, whereby the volumetric cost is isolated from general business expenses. To effectuate this change, the companies will file tariff statements identifying the prorated collection, on a kWh basis, each year, identifying the total collections and volumetric collections required to support the EE/BE programs. SBC Statements may be found at: <https://dps.ny.gov/help-dps-electronic-tariff-system>.

Upcoming Engagements, Deadlines, and Next Steps

34. Where will we be able to see specific incentives associated with certain budget allocations?*

A: Incentive details are expected in the LMI Implementation Plan and Non-LMI Implementation Plan filings under Cases 25-M-0249 and 25-M-0248, respectively.

35. Does DPS staff plan to host a similar session on the non-LMI order?*

A: DPS Staff has not scheduled an overview webinar for the Non-LMI EE/BE Order. However, Staff is hosting technical conferences on June 17th and 26th on best practices for residential weatherization programs. Details can be found at: <https://dps.ny.gov/event/residential-weatherization-program-best-practices-technical-conference-upstate>

36. Can/will there be multifamily specific webinar(s) on this in the future?

A: DPS does not have a specific webinar on multifamily scheduled yet, but the utilities and NYSERDA will be hosting some meetings over the next several months to inform the design and development of the 2026-2030 LMI EE/BE Implementation Plan. Details of these engagements will be posted in Case 25-M-0249.

37. Do you have a link that breaks down how to read these types of documents for lay folks?*

A: We do not, but DPS Staff intends to continue hosting events like this webinar to facilitate public engagement in this proceeding and will consider other ways to distill the pertinent information from Orders. Please reach out to us at Equity@dps.ny.gov to ask any follow-up questions about the LMI EE/BE Order or to offer suggestions for future engagements or resources that we can offer to the public.