



**Public Service
Commission**

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Rory M. Christian, Chair

Contact:

James Denn | James.Denn@dps.ny.gov | (518) 474-7080

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<http://twitter.com/NYSDPS>

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PSC Announces Approval of Energy Efficiency and Building Electrification Programs to Reduce Energy Costs for Consumers

Will Result in Projects Benefiting More Than 500,000 Low-to-Moderate Income Consumers

NYSERDA and New York Utilities Will Collectively Administer \$5 Billion to Advance Energy Efficiency and Building Electrification Across New York

Programs to Save Enough Energy to Power Up to 400,000 Typical Homes in New York

ALBANY — The New York State Public Service Commission (Commission) today announced its continued strong support for energy efficiency and building electrification initiatives by authorizing approximately \$1 billion per year over the next five years to be administered by the state's large investor-owned electric and gas utilities and the New York State Energy Research and Development Authority (NYSERDA). These funds will increase access to energy efficiency and clean energy solutions across New York's buildings sector, including low-to-moderate income (LMI) households and affordable multifamily buildings. The Commission's action today emphasized the benefits of weatherization and energy efficiency projects, including their ability to provide long-term reductions to customer energy burdens, and the need to ensure LMI customers are prioritized in the state's transition to cleaner and more efficient energy use.

"Energy efficiency is a go-to resource, is the first step to decarbonizing the buildings sector, and will drive longer-term energy burden reductions for lower-income New Yorkers," **said Commission Chair Rory M. Christian.** "For these reasons, we need to continue to aggressively pursue this solution. New York's commitment to protecting and enhancing our environment has been steadfast. As we look toward the future, we must ensure our efforts are being directed strategically to advance our goals while ensuring services are kept affordable for consumers."

Energy efficiency has been a cornerstone of New York State's energy policies for decades, providing energy cost savings to all consumers. This new portfolio of programs authorized by the Commission will result in a reduction of fossil-fuel combustion across the buildings sector and will increase the number of small homes and multifamily buildings that can be weatherized. New York State will continue to lead by advancing programs that save people money, improve comfort and health, and reduce emissions in the face of a federal administration that seeks to do the opposite through actions such as eliminating the ENERGY STAR program.

In addition to authorizing new initiatives, the Commission reduced the costs of the program to ratepayers by \$340 million through the use of existing cash balances for 2025 and 2026. Further, the

Commission directed the use of additional offsets totaling nearly \$360 million resulting from repurposing NY-Sun collections no longer needed to meet the 10GW goal and interest earnings that have accrued on previous ratepayer collections to cover nearly 24 percent of the budget for NYSERDA's energy efficiency and building electrification portfolios over this time period.

Today's decision took steps to streamline program operations, eliminate redundancy and prioritize putting funds to work in buildings by keeping administrative and implementation costs down. The programs will be administered in accordance with the strategic framework adopted by the Commission that will help to better align these portfolios with the state's climate objectives. This includes an emphasis on weatherization, or improvements to a building's envelope, to reduce energy costs, while also preparing customers for future electrification and reducing the demand placed on the electric grid.

This investment builds on the New Efficiency: New York and Clean Energy Fund energy efficiency and building electrification programs to reduce barriers to decarbonizing New York's homes and multifamily and commercial/industrial buildings. By the end of 2030, these programs are expected to achieve total lifetime energy savings of just over 615 trillion British thermal unit equivalents — the equivalent of saving the energy used by up to 400,000 typical homes in New York.

Lower-income households are disproportionately impacted by energy costs. Dedicated resources and investments such as those announced today work in tandem with the Commission's \$500 million annual investment in the Energy Affordability Program (EAP), which provides bill discounts to low-income consumers. By permanently reducing energy consumption through energy efficiency projects, New Yorkers will be able to stretch EAP bill credits further, helping vulnerable New Yorkers control their energy costs and access the benefits of clean energy solutions.

Today's decision directs utilities and NYSERDA to include details of the programs to be offered in implementation plans, which will be reviewed and approved by Department of Public Service Staff. The decision also directs utilities to submit joint plans to implement upstate and downstate regional residential weatherization programs for Commission approval. The program budgets will be effective January 1, 2026. The Commission also adopted a change to the cost recovery mechanism — collecting future funds through a surcharge — to provide full transparency of expenditures associated with utility energy efficiency and building electrification programs.

Under a separate order today the Commission authorized an increase in funding for the New York Municipal Power Agency (NYMPA) on behalf of its members to promote new clean energy programs, including more robust LMI programs. Funding under NYMPA's Independent Energy Efficiency Program will be used to expand existing clean energy and energy efficiency programs such as weatherization and building electrification, as well as other programs including renewable technology programs, smart metering, and demand response initiatives.

The New York Power Authority (NYPA) has been a partner in the NYMPA municipal system's energy efficiency efforts and in other energy efficiency efforts to support New York State's clean energy goals. By the end of 2025, NYPA will have financed and implemented more than \$4 billion in energy efficiency measures at state, local and municipal government facilities, and it continues to develop its program to support \$300 million in energy efficiency projects annually. The energy efficiency measures include heat pumps, new high efficiency boiler replacements, updated controls, heating, ventilation and air conditioning upgrades that will reduce natural gas consumption and related clean energy solutions.

New York State's climate agenda calls for an affordable and just transition to a clean energy economy that creates family-sustaining jobs, promotes economic growth through green investments, and directs a minimum of 35 percent of the benefits to disadvantaged communities. New York is advancing a suite of efforts to achieve an emissions-free economy by 2050, including in the energy, buildings, transportation, and waste sectors.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 14-M-0094 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.