STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on July 17, 2025

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore
Uchenna S. Bright
Denise M. Sheehan

CASE 14-M-0565 - Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers.

CASE 23-M-0298 - In the Matter of Budget Appropriations to Enhance Energy Affordability Programs.

ORDER ADOPTING ENHANCED ENERGY AFFORDABILITY POLICY AND DIRECTING UTILITY FILINGS

(Issued and Effective July 17, 2025)

BY THE COMMISSION:

INTRODUCTION

On May 20, 2016, the Public Service Commission (Commission) issued an order adopting an Energy Affordability Policy that set a target energy burden (i.e., the percentage of a household's income spent on energy costs) that is no more than six percent for all low-income households in New York State.[1] To advance this goal, low-income bill discount programs were established for each of the large investor-owned electric and

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[1] Case 14-M-0565, Order Adopting Low Income Program Modifications and Directing Utility Filings (issued May 20, 2016) (May 2016 Order), p. 3.

gas distribution utilities. The Commission established key directives through the Energy Affordability Policy, including the standardization of utility energy affordability programs (EAPs) statewide to reflect best practices, the streamlining of rate cases, and greater consistency between the programs and the Commission's statutory and policy objectives.[2] The Commission also acknowledged that, to reach the target of no more than a six percent energy burden for low-income New Yorkers, it would be necessary to coordinate and leverage all available resources at the State's disposal, including multiple sources of financial assistance to lower customers' bills, energy efficiency measures to reduce usage, and access to clean energy sources to lower the cost of the energy itself.

Between 2021 and 2023, the Commission advanced program refinements to reach more customers, and established an Energy Affordability Policy Working Group (Working Group) to advise the Commission on pertinent matters,[3] and to address energy affordability issues emanating from the COVID-19 pandemic.[4]

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

[3] Case 14-M-0565, Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings (issued August 12, 2021) (EAP Modification Order).

[4] Case 14-M-0565 et al., Order Authorizing Phase 1 Arrears Reduction Program (issued June 16, 2022) (Arrears Phase 1 Order) and Case 14-M-0565 et al., Order Authorizing Phase 2 Arrears Reduction Program (issued January 19, 2023) (Arrears Phase 2 Order).

The Commission now turns its efforts toward expanding the number of households that can access similar benefits. As required by the New York State Budget signed by the Governor for fiscal year 2023-2024 (FY 24 Budget), the Department of Public Service (Department) is charged with establishing a new, expanded, discount program for residential customers who do not currently qualify for the existing utility EAPs, but whose income is below the state median income (SMI), thereby creating a moderate-income EAP. The Department was also asked to consider the feasibility of using area median income (AMI) in the event the use of SMI prevents reaching all households in some areas of the State that have an energy burden greater than six percent.[5]

Certain elements of the framework offered by the existing EAPs lend themselves to adaptation for the expanded program. However distinct differences between the target populations, most notably the limited ability to verify customers' income for the expanded program, warrant a novel approach.

On March 18, 2025, Department of Public Service (DPS) staff issued an Enhanced Energy Affordability Policy (EEAP) White Paper addressing these issues and outlining a straw proposal for program design.[6] The EEAP White Paper provides recommendations pertaining to program integration, eligibility, enrollment, benefit levels, utility budget levels, bill impacts, program evaluation, and coordination with other programs. DPS staff's recommendations include program design elements that

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[5] Aid to Localities Appropriation, Chapter 53 of the Laws of 2023 (FY 24 Budget).

[6] Case 14-M-0565 et al., Staff White Paper on Implementing an Enhanced Energy Affordability Policy (EEAP White Paper) (issued March 18, 2025).

would be implemented during an initial two-year pilot period, as well as data collection to assess whether the program is achieving its goal of achieving the target of no more than a six percent energy burden for more households. DPS staff also recommends additional research to identify opportunities for program enhancements. Interested stakeholders and the public were provided an opportunity to comment on the EEAP White Paper.

In this Order, the Commission addresses DPS staff's recommendations on the topics outlined above and adopts a program design to provide for bill discounts for eligible utility customers. The Commission also adopts data collection and reporting requirements to inform future program modifications.

BACKGROUND

In the May 2016 Order, and the 2017 Implementation Order[7] and Rehearing Order,[8] the Commission discussed the evolution of providing targeted financial assistance to low-income customers in pursuit of achieving a policy goal of no more than a six percent household energy burden. At the time of the May 2016 Order, it was expected that financial assistance in the form of utility discounts would serve as a first step in the overall process, and later phases of the proceeding would continue to refine this bill assistance program and incorporate other methods of assistance, as necessary, to realize the goal

[7] Case 14-M-0565, Order Approving Implementation Plans with Modifications (issued February 17, 2017) (Implementation Order).

[8] Case 14-M-0565, Order Granting in Part and Denying in Part Requests for Reconsideration and Petitions for Rehearing (issued February 17, 2017) (Rehearing Order).

of no more than a six percent energy burden for New York's low-income utility customers.

On August 12, 2021, the Commission re-examined its energy affordability policy and issued the EAP Modification Order, which adopted certain modifications and improvements to the energy affordability policy framework established in the May 2016 Order. In the EAP Modification Order, the Commission directed DPS staff to convene a stakeholder Working Group within 60 days of the effective date of the order and encouraged participation from all interested stakeholders to work together to consider ways of improving EAPs. Beginning in September 2021, DPS staff convened Working Group meetings on a bi-weekly basis with discussions focused on numerous issues related to the improvement of EAPs, as well as the remediation of substantial customer arrears resulting from the COVID-19 pandemic.

Based on the recommendations of the Working Group, the Commission took historic action to address arrears amassed during the pandemic and issued two orders directing one-time bill credits to customers.[9] On June 16, 2022, the Commission issued its Arrears Phase 1 Order to address arrears held specifically by low-income customers, and on January 23, 2023, the Commission issued its Arrears Phase 2 Order to address arrears held by residential customers and small-commercial customers who did not receive arrears relief under the Arrears Phase 1 Order.

The New York State FY 24 Budget included three distinct directives to the Commission and the Department related to affordability. First, the FY 24 Budget included an appropriation of $200 million to provide prompt utility bill relief for costs associated with utility EAPs authorized by the

[9] Case 14-M-0565 et al., Energy Affordability Policy Working Group Status Report (issued February 21, 2025).

Commission. Second, the Department was charged with establishing a program to provide an "energy affordability guarantee" to residential customers who fully electrify their homes under the EmPower Plus Program administered by the New York State Energy Research and Development Authority (NYSERDA). Third, the Department was tasked with establishing a new, enhanced, discount program for residential customers who do not currently qualify for existing utility EAPs, but whose income is below the SMI, or potentially the AMI in the event the use of SMI prevents reaching all households that have an energy burden greater than six percent. Residential customers of electric corporations regulated by the Commission and the Long Island Power Authority (LIPA), and its service provider, were to be made eligible to participate in this new, expanded discount program.

The Commission took two actionable steps to date to address the duties placed upon it by the FY 24 Budget. First, the Commission issued its Order Authorizing Energy Bill Credit on February 15, 2024.[10] This order, which adopted the recommendations of the Working Group's November 21, 2023 New York State Energy Bill Credit Report,[11] provided utilities administering a low-income monthly bill discount program with a pro rata allocation of the $200 million budget appropriation in order to provide their customers prompt bill relief. In addition, the one-time bill credit was designed to offset, at least in part, the effect of rapidly increasing commodity prices during and after the implementation of the EAP Arrears Phase 1

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[10] Case 14-M-0565 et al., Budget Appropriations to Enhance Energy Affordability Programs, Order Authorizing Energy Bill Credit (issued February 15, 2024).

[11] These recommendations were adopted in Ordering Clause 5 of the Order Authorizing Energy Bill Credit, Cases 14-M-0565 and 23-M-0298 (issued February 15, 2024).

and Phase 2 programs.[12] The one-time bill credits were reflected on customers' bills between March and October 2024. Each utility filed a subsequent report with the Secretary to the Commission that summarized the number of accounts, and the total credit applied.[13]

Second, the Commission issued its Order Approving Energy Affordability Guarantee Pilot on August 15, 2024, which established an affordability guarantee for participating residential customers who electrify their homes as part of the EmPower Plus Program administered by NYSERDA.[14] The Implementation Plan for the Energy Affordability Guarantee Pilot outlined operational details and associated milestones for the first two years of the pilot, including plans for implementation and outreach to eligible households, and the hiring of an implementation contractor.[15]

The next step for the Commission is to establish EEAP bill discount programs for residential customers who do not currently qualify for a low-income EAP bill discount but whose

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[12] Historical retail prices of electricity can be found here: https://www.nyserda.ny.gov/Energy-Prices/Electricity/Monthly-Avg-Electricity-Residential. Typical electric bills can be found here: https://dps.ny.gov/electric-utility-ten-year-historic-average-monthly-bill-data-typical-customers. Typical gas bills can be found here: https://dps.ny.gov/gas-utility-ten-year-historic-average-monthly-bill-data-typical-customers.

[13] Cases 14-M-0565 and 23-M-0298, Phase 1 Credits Reports (filed by Corning National Gas Corporation on April 26, 2024; Con Edison and O&R on May 16, 2024; NFG on June 13, 2024; Central Hudson and Liberty on June 21, 2024; NYSEG and RG&E on July 12, 2024; and KEDLI, KEDNY, and NMPC on October 18, 2024).

[14] Case 14-M-0565, Order Approving Energy Affordability Guarantee Pilot (issued August 15, 2024).

[15] Case 14-M-0565, Energy Affordability Guarantee Pilot Implementation Plan (filed November 15, 2024).

income is below SMI or AMI. Because utility rates and tariffs would need to be modified to effectuate this action, Commission approval is necessary.

Since enactment of the FY 24 budget, the Working Group conducted analyses and discussed key elements of an EEAP, including assessment of benefit programs with overlapping eligibility, research of moderate-income EAPs in other states, and modeling to estimate the number of eligible utility customers, discount levels, and budget impacts.

The EEAP White Paper, developed from the results of the research conducted on behalf of, and in collaboration with, the Working Group, includes a straw proposal for a statewide EEAP program for residential customers who do not currently qualify for a low-income EAP bill discount program but whose income is below SMI or AMI.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking (Notice) regarding the EEAP White Paper was published in the State Register on April 2, 2025 [SAPA No. 14-M-0565SP20]. The time for submission of comments pursuant to the Notice expired on June 2, 2025.

COMMENTS

The stakeholders that submitted written comments on the EEAP White Paper within the Notice comment period include: Public Utility Law Project of New York, Inc. (PULP); the New

York State Utilities (Utilities);[16] National Fuel Gas Distribution Corporation (NFG); the City of New York (the City); Alliance for a Green Economy (AGREE); and AARP New York (AARP). No additional written comments on the EEAP White Paper were filed.

Most comments received were supportive of DPS staff's recommendations. Some comments urged the Commission to modify DPS staff's proposal for a combined budget cap for both the EEAP and EAP, and to consider funding sources other than ratepayer funds. Others stated the proposed eligibility criteria were too broad, rendering the proposed EEAP discount levels insufficient.

A summary of all written comments is included as Appendix A of this Order. Specific comments are addressed in the discussion below.

LEGAL AUTHORITY

The Public Service Law (PSL) grants the Commission broad legal authority to prescribe regulatory requirements necessary to carry out the provisions contained therein. For instance, PSL Section 5(1) grants the Commission jurisdiction over the sale or distribution of electricity and natural gas. Furthermore, pursuant to PSL Section 65(1), every electric corporation must safely and adequately "furnish and provide [electric] service, instrumentalities, and facilities as shall be safe and adequate and in all respects just and reasonable." Accordingly, PSL Section 5(2) permits the Commission to

[16] Comments from the New York State Utilities were submitted on behalf of Central Hudson, Con Edison, KEDLI, KEDNY, NMPC, NFG, NYSEG, RG&E, O&R, and PSEG Long Island LLC (PSEG LI) (collectively, the Utilities). PSEG LI is the agent for and service provider to LIPA and submits its comments on behalf of LIPA. Pursuant to the New York State Public Authorities Law, LIPA is not generally subject to the Commission's jurisdiction but seeks to align with state policy where possible.

"encourage all ... corporations subject to its jurisdiction to formulate and carry out long-range programs, individually or cooperatively, for the performance of their public service responsibilities with economy, efficiency, and care for the public safety, the preservation of environmental values and the conservation of natural resources."

Furthermore, these actions are in accordance with the FY 24 Budget, which specifically authorizes the Commission to establish an expanded utility bill relief program.[17]

DISCUSSION

In the sections that follow, the Commission addresses the topics in the EEAP White Paper by first summarizing DPS staff's recommendations, followed by a description of stakeholder comments, and then the Commission's determinations regarding the issues.

Program Integration

1. Staff Recommendation

DPS staff recommends that the Commission establish EEAP tiers that operate similarly to the existing low-income EAP framework.[18] DPS staff reasons that developing EEAP customer tiers as extensions of the low-income EAPs already in operation would lower the administrative burden and associated costs.

2. Stakeholder Comments

AGREE urges the Commission to move the pilot forward as quickly as possible in order to address the arrears crisis,

[17] FY 24 Budget.

[18] EEAP White Paper, p. 17.

citing the nearly half-million households presently at risk of disconnection.

NFG requests that the Commission not mandate utility participation in the EEAP program. Instead, NFG suggests that the program should have the flexibility to allow the utility to monitor whether the program would enable customers between 60 and 100 percent of the State Median Income/Local Median Income to achieve a calculated energy burden of no more than six percent. NFG suggests that, if a utility is not actively participating in EEAP, then that utility would perform an analysis to determine if any discount is needed for moderate-income households in its service territory to achieve a total target energy burden of six percent.

PULP states that low-income EAP ratepayers may experience a decrease in benefits should EAP and EEAP be integrated, and strongly suggests the programs operate independently of one another with separate funding and structuring. PULP states the risks to low-income ratepayers are not outweighed by the administrative convenience that might come from increasing the budget cap to 3.5 percent and hold that this increase does not provide a guarantee of protection for benefits already received by low-income ratepayers. In addition, PULP acknowledges the unique challenges faced by PSEG LI with the implementation of EEAP and its effects on the LIPA tariff and, therefore, recommends that PSEG and LIPA begin implementation as soon as the Commission issues its Order in these proceedings to ensure moderate-income customers in their service area are not left behind the rest of the state.

The Utilities support DPS staff’s recommended two-year pilot program that would implement the same methodology the current EAPs use when calculating discounts. However, the

Utilities state they would need to make several computer system updates to implement the EEAP.

3. Determination

The recommendation to develop EEAP tiers within the framework of utilities' existing EAPs is adopted, with modifications. Given the significant overlap in the goals of EEAP and existing EAPs, administrative activity in the two programs should correspondingly overlap to the greatest extent practicable. We agree with DPS staff's finding that use of the existing EAP framework previously approved by the Commission would lessen administrative requirements and thus lower potential ratepayer impacts. We further find that the use of the existing framework will help facilitate a more expeditious launch of EEAPs to provide bill relief sooner, and will lessen the risk of administrative errors for customers moving between low-income and Enhanced EAP tiers in subsequent program years.

Nonetheless, we recognize certain key differences between the customers eligible for EEAPs and existing EAPs warrant different administrative approaches. While these differences and commensurate divergent methods are discussed in greater detail in subsequent sections of this Order, we acknowledge the concern raised in PULP's comments about potential unintended downward pressure on low-income EAP budgets. Inherent to the goal of any affordability program is equitability to provide greater benefit to those in greater need. While this goal is largely achieved in DPS staff's proposal, PULP correctly notes that folding EEAP tiers into existing EAP budgets would strain this equitable treatment principle in instances where EEAP budgets require downward adjustments to comply with budget caps. The Commission thus modifies DPS staff's recommendation to clarify that budgets and budget limits for EEAPs will operate separately from existing EAPs.

Eligibility

1. Staff Recommendation

DPS staff recommends that all residential customers below SMI who do not currently qualify for a utility low-income EAP would be eligible during an initial two-year pilot period, except in the Con Edison and KEDNY utility territories, in which all residential New York City customers below the AMI threshold identified by the United States Department of Housing and Urban Development would be eligible.[19] The recommendations would further require utilities to maintain participant eligibility under this framework during an initial two-year pilot period during which the utilities would research and assess the potential benefit and feasibility of using AMI for eligibility and discount calculation purposes.

2. Stakeholder Comments

All commenting parties agree with DPS staff's recommendation to use the AMI and the SMI for assessing EEAP eligibility in the counties DPS staff has identified.

The City recommends the EEAP should only be offered to heating-only customers during the two-year pilot period. The City further states that, if the benefit were to be provided to all eligible customers, then the assistance may be too insignificant at $3 per month and not provide enough assistance to electric heating customers.

PULP agrees with DPS staff that EEAP should include the low-income households that heretofore have been unable to qualify for EAP, in order to provide some of the most vulnerable

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[19] EEAP White Paper, p. 20.

utility customers with meaningful support. The Utilities recommend evaluating the eligibility standard following the two-year pilot to assess if the use of AMI, outside of the five counties of the City, and Nassau County, would benefit more customers' needs. NFG recommends that utilities should not be mandated to operate an EEAP when modeling suggests no discount is needed for Moderate Income Households. AARP and AGREE did not provide comments on the EEAP enrollment.

3. Determination

The Commission adopts DPS staff's proposal, with modifications. In determining appropriate eligibility criteria for EEAP, significant guidance is provided by the parameters in law as enacted in the FY 24 Budget. It instructs that eligible customers shall include: "residential [utility] customers that do not currently qualify for the energy affordability policy program but whose income is below the state median income," and further requires the Commission to "consider the feasibility of using area median income or other eligibility thresholds in the event the use of state median income prevents reaching all households that have an energy burden greater than six percent" and instructs that "[r]esidential customers of electric corporations regulated by the Public Service Commission and the Long Island Power Authority, and its service provider shall be eligible to participate in the new, expanded discount program."[20]

The Commission hereby adopts the following three-pronged eligibility test for the EEAP: (1) an applicant must be a customer of a Commission-regulated electric utility, natural gas utility, or combined electric and gas utility; (2) must have an income below SMI, except for utility territories or counties within those territories in which the Commission approves use of

[20] FY 24 Budget.

AMI; and (3) heretofore have been unable to qualify to enroll in the low income EAP. We explore each of these requirements in greater detail below.

The first prong of eligibility is for an applicant to be a customer of a jurisdictional electric or gas utility. Several commenters opined on which customers should be eligible. The Utilities sought clarification that customers of natural gas utilities would qualify. NFG separately commented that many upstate utilities should not be required to participate in the program given that DPS staff modeling identified minimal need in their service areas and further cited both minimal benefit and increased administrative costs. The City commented that the program should target heating customers only during the pilot period due to the heightened needs of heating customers and to concentrate benefits where the greatest need exists.

The Commission will not impose such limitations on eligibility at this time. The FY 24 Budget appropriation language clearly requires that an expanded EAP program must include all income-eligible utility customers of all electric corporations operating in New York State, regardless of heat or non-heat, and that the intent of this program is to help "all households" below median income to not exceed a six percent energy burden.[21] As such, customers of electric and natural gas utilities and heat and non-heat customers in New York State meeting other qualifying requirements are eligible.

[21] FY 24 Budget. Program eligibility reasonably includes submetered tenants, under the same logical principle that "submetered residents shall be able to self-identify themselves as eligible for [a] utility's low-income discounts," as declared by the Commission in case 20-E-0190. Case 20-E-0190, Notice of Intent of QPP LLC to Submeter Electricity at 29-59 Northern Boulevard, Queens, New York 11101, Order Authorizing Submetering (issued March 24, 2021) (March 2021 Order).

The Commission also finds that customers from income bands not normally associated with financial vulnerability should not be prevented from applying to the program. While the modeling provided in the EEAP White Paper suggests certain customers approaching area median income may not require a benefit to achieve no more than a six percent energy burden, or may only require an extremely small discount, the discount methodology discussed in subsequent sections is not based on exact individual energy burdens and thus may include utility customers whose individual energy burdens may be slightly below or exactly six percent of their gross income. However, the Commission finds that until exact individual energy burdens can be identified and used in a prudent manner, all customers reasonably identifiable as being below state or area median income, as defined in this proposal, shall be presumptively eligible to receive benefits. The sizes of such benefits are described later in this Order.

The second eligibility criterion is to have an income below SMI, or below AMI in certain herein enumerated utility territories, during the two-year pilot period proposed by DPS staff. Specifically, the Commission supports use of AMI in utility territories in which AMI demonstrably offers more customers greater opportunity to achieve the target energy burden. We agree with DPS staff that available data on New York City-area AMI warrants immediate inclusion to expand the number of eligible households in Con Edison and KEDNY’s New York City territories. We also agree with the Utilities that during the pilot period it is appropriate in the same context to use AMI to determine eligibility of customers of utilities regulated by the Commission and operating in Nassau County. Without a more comprehensive assessment of how the use of AMI in other utility territories would affect enrollments and benefits, we find the use of SMI is most appropriate in all other utility territories not identified here. SMI and AMI for each program year will be identified based on the most current United States Census American Community Survey data available no less than 30 days prior to each annual EAP budget filing deadline.

The third customer eligibility criterion for Enhanced EAP benefits is whether a utility customer is, or has been previously, unable to qualify for a low-income EAP. To better understand this criterion, we find it instructive to look at this condition of eligibility from three perspectives: 1) a customer who is eligible for and currently receiving a low-income EAP benefit; 2) a customer who is eligible for a low-income EAP benefit but is not currently enrolled; and 3) a customer who is ineligible for a low-income EAP benefit. For the first example, the benefit received through the low-income EAP is designed to achieve the target of no more than a six percent energy burden for that customer and thus no additional benefit through EEAP is required. For a customer who is eligible for a low-income EAP benefit but is not enrolled, a utility should encourage the customer to apply for a low-income EAP benefit. The third category of customers - those who are or were unable to qualify to receive a low-income EAP benefit but were not income-disqualified – should be eligible to receive an EEAP benefit. Importantly, no customer should be enrolled in both a low-income EAP and EEAP benefit at the same time.

A key requirement to be eligible for low income EAPs is to receive a Home Energy Assistance Program (HEAP) benefit or one of several other specific public assistance programs available to residential New Yorkers. As DPS staff and other stakeholders identified, this may serve as a prohibitive factor for some utility customers who are income-eligible for low-income EAPs, but ineligible based on non-participation in qualifying matching programs. We concur that such customers should be eligible for EEAPs and describe such benefits later in this Order.

Further, we agree with DPS staff's finding that more research is necessary to assess the potential benefit and feasibility of using either SMI or AMI for eligibility and discount calculation purposes, and thus direct utilities to collect data as described in the straw proposal and include such data within annual reports filed with the Commission during the two-year pilot period to inform consideration of program modifications.

Enrollment

1. Staff Recommendation

The EEAP White Paper calls for enrollment in utility-run EEAPs to be managed through a self-enrollment and transparent income verification process during the pilot period, beginning no later than December 1, 2025. DPS staff proposes that utilities leverage existing enrollment mechanisms when feasible and verify income eligibility independently or through use of a clearinghouse.[22] Enrollment would be accompanied by outreach programs to inform customers of the benefit and how qualified customers may register, and utilities would also be required to disclose the income verification process to customers.[23]

DPS staff further recommends that the utilities conduct additional research during the initial pilot period,

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[22] EEAP White Paper, p. 22. For purposes of this proposal, DPS staff defined a "clearinghouse" as a qualified entity that performs data analytics, population analytics, income verification, or other service appropriate to determine customer eligibility for this program.

[23] EEAP White Paper, p. 23.

including: (1) a benefit-cost analysis to determine the estimated unit and comprehensive program costs of verifying all estimated eligible customers in the program as compared to the level of benefit enrolled participants would receive; (2) assessment of potential automatic enrollment opportunities for all customers who were recently unenrolled from low-income EAPs; and (3) exploration of additional eligibility criteria and automatic enrollment. DPS staff also recommends exploring the feasibility of a data match and automatic enrollment process leveraging New York State Department of Taxation and Finance income data.

2. Stakeholder Comments

AARP states that it prefers increasing enrollment in the low-income EAP as close as possible to 100 percent, but notes that it would result in increased program costs exceeding the current 2 percent revenue cap. The City states its support for an automatic enrollment system and argues that a system based on manual enrollment, or a data clearinghouse, would suppress program participation and incur significant administrative expenses. The Utilities note their concerns about the target date for enrollments and oppose an automatic enrollment system; however, the Utilities support the continued exploration of targeted customer outreach for manual enrollment, file matching, and income verification via a statewide clearinghouse. PULP supports DPS staff’s recommendations related to the use of existing enrollment mechanisms and the production of a benefit-cost analysis for establishing a centralized data clearinghouse and further encourages DPS staff to explore the feasibility of an enrollment mechanism facilitated by the Department.

3. Determination

The Commission adopts DPS staff's proposal, with modifications. As indicated in the EEAP White Paper, the EAP Working Group identified limited programs with overlapping eligibility to pursue automatic enrollment for EEAP at this time. Given the limited availability of data necessary to identify eligible customers, we instruct the utilities to initiate enrollments in EEAP tiers using self-enrollment processes in the manner, and by the deadline, described below. When feasible, existing enrollment mechanisms used for low-income EAPs should be leveraged by utilities; should any utility find existing enrollment mechanisms are not feasible or appropriate, they may petition the Commission for consideration of alternate means.

The Commission agrees with DPS staff that eligibility verification is critical to ensure resources are appropriately managed and to minimize ratepayer impacts.[24] Returning to the three prongs of eligibility discussed above, the utilities are well-positioned to verify two such prongs (i.e., status as a customer and participation in a low-income EAP). In the absence of income proxies or direct income data, it is evident the third prong, verification of income eligibility potentially by self-attestation rather than use of a government database, poses a particular challenge. To address this issue, DPS staff proposes that utilities conduct a benefit-cost analysis on three income verification options: independent verification by the utility; use of an income verification clearinghouse; or joint use of an income verification clearinghouse by multiple utilities. The Commission agrees with the Utilities' concern about risks associated with utility collection and retention of customer data and recognizes the use of one clearinghouse for all

[24] EEAP White Paper, p. 22.

utilities would offer several potential benefits of efficiency and consistency. However, the Commission recognizes administrative costs must be fully weighed to determine the appropriate verification process.

The Commission also agrees with DPS staff's proposal that utilities consider potential opportunities to verify that customers who recently stopped receiving low-income EAP benefits may now be eligible for EEAPs. Additionally, the Commission agrees that, due to potential fluctuations in the economy, EAP benefit recipients may need to migrate between the low-income and moderate-income EAPs. The utilities are thus instructed to file with the Secretary to the Commission within 90 days of the issuance of this Order, the Benefit-Cost Analysis described in the EEAP White Paper, identifying the method selected to perform income verification during the pilot period, and providing a feasibility assessment of verifying income eligibility and automatically enrolling customers who stopped receiving low-income EAP benefits within the last two years.

In the alternative, the City's contention that a singular State-administered income verification and automated enrollment system would offer numerous efficiencies and reduce administrative expenses, is correct and the Commission has already begun the process of analyzing and determining the need for such a system. With the approval of the LMI Energy Efficiency and Building Electrification (EE/BE) Order,[25] the Commission approved over $1.5 billion to fund EE/BE programs targeted to the LMI market segment and administered by utilities and NYSERDA. Income eligibility verification is a necessary

[25] See Case 18-M-0084, et al., Comprehensive Energy Efficiency Initiative, Order Authorizing Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026-2030 (issued May 15, 2025).

component of several of these programs, including EmPower Plus, administered by NYSERDA. Among the Commission's objectives for LMI program administration is the need to deploy limited ratepayer funds in a manner that maximizes their impact, including creating administrative efficiencies, where possible. Combining the income verification needs for EAPs and the ratepayer funded LMI EE/BE and other clean energy programs will build economies of scale and help to increase the impact of ratepayer dollars.

The Commission thus directs DPS staff to continue collaboration with the Working Group to explore and identify potential opportunities to automatically identify and enroll eligible utility customers into EAPs. Further, we direct DPS staff to work with the utilities, NYSERDA, and the Department of Taxation and Finance to assess the feasibility of such a system, identify the potential for combining the income verification needs of LMI EE/BE and clean energy programs, to develop cost estimates, to identify preliminary operational considerations, and to report findings to the EAP Working Group within 18 months of the issuance of this Order.

Until such time when automatic enrollment opportunities are identified, the successful enrollment of customers in this program will depend on a robust outreach strategy. As such, the Commission instructs the utilities to conduct outreach to inform potentially eligible customers of EEAPs and ensure the application process is communicated in a clear and accessible manner. The utilities shall prioritize outreach to customers who received EAP benefits within the two prior program years who are no longer enrolled.

We acknowledge the concerns raised by the Utilities concerning the implementation timeline proposed by DPS staff and necessary administrative steps required to open enrollment. We also understand certain utilities, namely Central Hudson and NFG, which indicate that additional time may be required due to billing system upgrades.

Given the acute circumstances indicated by Central Hudson and NFG, the Commission instructs both utilities to submit a report to the Secretary to the Commission within 90 days of the issuance of this Order providing a detailed explanation of the reasons and root causes of their request to defer enrollment and to indicate an enrollment initiation date not to exceed 270 days from the issuance of this Order. In consideration of the general administrative concerns raised by the Utilities and of the impending winter heating system, and in balance with the Commission’s interest in providing prompt relief to customers eligible for this program, we direct all other utilities to begin accepting applications within 180 days of the issuance of this Order.

<u>Benefit Levels</u>

1. <u>Staff Recommendation</u>

DPS staff recommends that discounts be established at the appropriate level required to achieve a State policy of no more than a six percent energy burden. Discounts should be calculated based on the 70 percent median income level for moderate income customers with incomes between 60 percent and 80 percent median income and the 90 percent median income level for customers between 80 percent and the median income. Discounts for customers below 60 percent median income, but who otherwise do not qualify for low-income EAP, would be set at a level equivalent to the benefits provided for Tier 1 customers in the low-income EAP.

Until monthly usage and billing data is available on EEAP customers following program implementation, the data on average bills faced by low-income participants and furnished to DPS staff through the utilities' annual low-income program discount and budget workpaper submissions would serve as a proxy to identify probable moderate-income usage. The EEAP White Paper recommends that the level of the average low-income bill at each utility be used to establish more targeted discount levels for moderate-income customers at that utility.

For customers previously ineligible or otherwise unable to qualify for enrollment in low-income EAPs and whose incomes are verified to be below 60 percent moderate income, DPS staff proposes a benefit equal to the discount provided for low-income EAP Tier 1. For customers in the EEAP's two higher tiers, discounts would be determined based on the average bill calculations by service type and utility territory.

DPS staff further recommends establishing minimum discount levels for EEAP participants similar to those in place for low-income EAPs. Specifically, DPS staff proposes that customer tiers not demonstrating a need greater than $3 per month in the 60 to 80 percent tier would receive a $3 minimum credit; customers in the 80 to 100 percent tier not demonstrating a need greater than $1 per month would receive a $1 minimum credit. DPS staff's proposal also encourages utilities to consider providing discounts on a non-monthly basis to allow benefits to accrue or to reduce administrative expenses if possible.

2. Stakeholder Comments

AARP characterizes it as "disturbing" that low-income customers not enrolled in the regular EAP have no meaningful support for "ever increasing utility bills" and further states that it "is neither fair nor equitable" for these customers to fund the EEAPs when they are already funding the EAP.

The City states that any proposed monthly credit of $1 to $5 is insufficient to meaningfully reduce the energy burden for New Yorkers. The City opines that the potential benefits of the EEAP are spread too thin across an excessively large body of participants, potentially diluting the support for customers most in need, and recommends that only heating customers receive a benefit during the pilot period.

NFG states that the analysis DPS staff performed shows that, at present, there is not a need for discounts for moderate-income customers in the upstate region. Instead, NFG asserts that the need for moderate-income assistance is a downstate matter, and that requiring upstate utilities to invest in expensive system changes and additional administrative costs would be detrimental to customers.

PULP supports fixed discounts aimed at not exceeding a six percent energy burden and establishing income-based tiers. PULP posits that the proposed minimum monthly discounts will serve as a good starting point but encourages the pursuit of individualized benefit calculations and tailoring discount models to help achieve true affordability and the goal of not exceeding a six percent energy burden.

The Utilities support DPS staff’s two-year pilot program that would implement the same methodology the current EAP uses when calculating discounts. The Utilities support monthly discounts that have monthly minimums established, rather than annual or semi-annual discounts. The Utilities urge the Commission to clarify that the discounts will apply to a customer’s entire bill, not just to the delivery charges.

3. Determination

The Commission agrees that discounts must be established at the level required to not exceed a six percent energy burden for EEAP program participants and adopts the straightforward methodology DPS staff proposes for how to accomplish this, with modifications as described below. In order to calculate the appropriate benefits for EEAP tiers, five elements must be addressed: (1) the customer income level; (2) the average utility bill; (3) the discount required to not exceed a six percent energy burden; (4) determination of whether a minimum discount is appropriate; and (5) whether and how to adjust discounts if budget caps would otherwise be exceeded.

Absent household-specific energy burdens and income data, we find that establishing three separate income-based tiers, as described in the EEAP White Paper, offers the most equitable and least administratively burdensome means to calculate a customer’s proxy income class for purposes of calculating a discount. We also agree with DPS staff that aligning the three tiers with potential data match criteria, particularly for the moderate-income tier, and improves the adaptability of EEAPs should automatic enrollment opportunities be identified in the future.

We find low-income usage and average bill data for gas heat, gas non-heat, electric heat, and electric non-heat customers serves as an appropriate proxy for purposes of calculating discounts for this program, but further agree with DPS staff that additional data on EEAP recipients should be collected to more precisely identify the energy usage and bills of customers eligible for this program.

Using the above inputs, the Commission directs the utilities to adapt the methodology used for low-income EAP to calculate EEAP tier discounts, but we clarify that HEAP benefits need not be factored into the calculation’s lack of overlapping eligibility as discussed elsewhere in this Order.

The Commission acknowledges the concern raised by the City that the DPS staff modeling used to estimate program benefits may be less accurate than will be possible after collecting usage and bill cost data from participants during years one and two of the initial pilot. While the Commission does not agree this use of average usage and bill costs constitutes a "flaw" given NYC's failure to identify specific methodological flaws in its comments, we nonetheless acknowledge program implementation may not initially align with DPS staff's modeling. We do not see this as a flaw, but rather further justification to both initiate this program as a pilot and to collect and carefully analyze participant data to inform future consideration of adjustments.

The Commission also approves the establishment of minimum monthly discounts as defined in the EEAP White Paper. Several parties commented that DPS staff modeling shows some customers may not require a discount to achieve the target energy burden. As discussed elsewhere in this Order, the Commission agrees with DPS staff that, similar to the minimum discounts established for low-income EAPs and absent the availability of data and the necessary consent to identify and use individual customers' energy burdens, it is appropriate to provide eligible customers enrolled in this program with minimum monthly discounts.[26]

While the EEAP White Paper encourages consideration of providing discounts on a non-monthly basis, the Commission agrees with the Utilities that this option should not be pursued. Any potential benefits hypothesized by DPS staff are far outweighed by the potential system complexities, reporting nuances, and, above all else, customer confusion. The utilities

[26] May 2016 Order, p. 22. The Commission established minimum discounts for "any eligible customer, regardless of service type or income tier, except direct voucher and utility guarantee customers ..."

are thus directed to provide customers with level monthly payments during each program year.

As discussed in greater detail in the next section, the EEAP tiers will operate under separate program budgets from each utility's corresponding low-income EAPs. Given this, and in such instances when EEAP budgets would otherwise be exceeded, low-income EAP discounts will not be altered. Instead, discounts to all three EEAP tiers would be proportionately adjusted downward until the programs at the utilities fall within each utility's budget cap.

DPS staff propose that discounts provided through this program be applied solely to delivery charges in order to ensure that Energy Service Company (ESCO) customers receive the same discount. While no parties opposed extending benefits to ESCO customers, the Utilities sought clarification that a discount applies to a customer's entire utility bill regardless of energy supplier. The Commission agrees with the utilities and directs that (a) ESCO customers receive the same discount as would a similar customer of a utility, and (b) discounts provided through this program be applied to the entire bill.

Further, we direct the Utilities to file an EEAP budget workbook at least 30 days prior to the initial enrollment period and covering the period between the beginning of the initial enrollment period and November 30, 2026. For all subsequent annual EEAP budget workbook filings, and to harmonize reporting requirements and reduce administrative burdens, we direct the utilities to incorporate EEAP calculations into the annual EAP workbooks filed with the Secretary to the Commission by November 1 of every year and direct the utilities to work with DPS staff to identify the appropriate format.

The Commission also agrees with PULP that the third bullet in DPS staff's recommendations for rate discounts on page

27 of the EEAP White Paper could inadvertently be construed to prevent those low-income customers not enrolled in matching programs - the very customers targeted by this proposal – from enrolling in EEAPs. The Commission therefore clarifies that all customers ineligible for low-income EAPs are eligible for EEAPs, so long as the disqualifying characteristic for the low-income EAP was due to non-participation in federal and state programs used for verification purposes. We direct the utilities to validate that customers seeking and receiving benefits in this tier are not receiving benefits through the low-income EAP.

Utility Budget Levels and Bill Impacts

1. Staff Recommendation

The EEAP White Paper proposes to incorporate EEAP budgets within the same budgets and budgetary framework of existing low-income EAPs and subject each utility's EAP budgets to the same annual budget methodology currently used for low-income EAPs. The proposal further recommends EAP budget caps be increased, from 2 percent of total annual electric revenues and total annual gas revenues, to 3 percent of total annual electric revenues and total annual gas revenues, to prevent increasing bill discount budgets from exceeding the cap and triggering a proportional reduction of discounts, thereby undermining the goal of no more than a six percent energy burden across the low-income EAP and EEAP. Additionally, DPS staff proposes to allow the Utilities to petition the Commission for temporary budget cap adjustments up to 3.5 percent if the need is demonstrated. Utilities would also be required to apply a proportionate downward adjustment of benefits across all EEAPs and low-income EAP tiers in instances when the budget cap would otherwise be exceeded. As with the low-income EAP budgets, the DPS staff recommends that any over- or under-recovery of these funds, based on actual enrollments, be fully reconciled. Finally, DPS staff recommends that alternative funding sources continue to be sought to minimize ratepayer impact.

2. Stakeholder Comments

In its comments, AARP argues in favor of focusing resources on increasing the program participation rate of customers that are already eligible for EAPs rather than expanding the pool of eligible customers. AARP also reiterates its support for obtaining more program funding from the State budget to reduce the burden on ratepayers. AGREE is supportive of DPS staff's proposal to increase the program budget cap and option for a temporary budget cap adjustment, arguing that these increases would allow for higher program participation. The City urges the Commission to reject the DPS staff proposal, stating that the potential benefits of the proposed program do not justify its overhead costs and the associated expenses levied upon ratepayers. NFG supports the increased program budget proposed by DPS staff but opposes the use of a minimum monthly discount or any other discount where such discounts would provide benefits beyond what is necessary to meet the six percent total energy burden target. PULP echoes AARP's concerns that an increased EAP budget would place a burden on ratepayers and argues in favor of using public funds for EAPs.

The Utilities state their support for DPS staff's proposed discount calculation methodology during the EEAP pilot program as well as the implementation of monthly minimum discounts, but argue that any discounts should be applied on a monthly rather than annual or semi-annual basis in order to reduce complexity. They further recommend that the Commission clarify whether any EEAP discounts would apply only to a specific portion of a customer's bill or to the entire bill.

3. Determination

The Commission shares the concern raised by PULP that housing both EEAPs and low-income EAPs under combined budgets may adversely impact the benefits of the low-income EAP tiers. Particularly given that the EAP Working Group's recent status report identified several utility EAPs impacted by their budget caps, we find that budget adjustments are warranted. To insulate low-income EAPs from this possibility, and to more adequately achieve the target energy burden of low-income EAP and EEAP customers, the Commission directs the utilities to increase EAP budget caps from 2 percent of total annual revenues to 2.5 percent of total annual revenues; further, utilities are directed to establish EEAP budget caps at 0.5 percent of total annual revenues.

While the Commission finds EEAP budgets should be managed separately from EAP budgets, we agree with DPS staff's proposal that, in circumstances in which utilities demonstrate EAP budgets or E EAPs would exceed the established cap, utilities may petition the Commission for temporary budget cap adjustments of up to an additional cumulative 0.5 percent of annual revenues once per program year, inclusive of both EAP and EEAP budgets, totaling up to 3.5 percent of total annual utility revenues. Additionally, the Commission further directs that any over- or under-recovery of program funds be fully reconciled based on actual enrollments.

Several commenters raised concerns with ratepayers funding this program primarily through surcharges, including those receiving a benefit from the low-income or EEAP tiers, and agreed with DPS staff and other stakeholders that more work should be done to identify alternate funding sources. The Commission appreciates this concern and similarly seeks means to achieve policy goals while minimizing ratepayer impacts. While the Commission must use the resources and mechanisms available to this body to advance a proposal that balances policy goals and costs, the Commission welcomes alternate resources that help reduce the burden on ratepayers.

Program Evaluation

1. Staff Recommendation

The EEAP White Paper calls for a variety of data to be collected during the two-year pilot period to measure the performance of the EEAPs. Specifically, the proposal would instruct the utilities to: (1) collect anonymized geolocational customer data to assess the potential impact of SMI and AMI on participation rates and discounts; (2) consider the feasibility and administrative burden of deploying an AMI-based program on the utility service territory; and (3) assess enrollment impacts of service territory-wide SMI, AMI, or a targeted hybrid approach, and to issue annual reports on their findings. Further, the utilities would be directed to incorporate EEAP customers in existing tracking and reporting of key collection activity data filed in Case 91-M-0744 and reported on a monthly basis for low-income EAP participants in Case 14-M-0565.

2. Stakeholder Comments

AGREE recommends the EEAP pilot program implement a system to track and publish information about the Utilities' progress toward achieving and maintaining a policy of no more than a six percent energy burden. AGREE asserts that this system will increase each utility's ability to enroll customers in EEAPs and reduce energy burdens. The City recommends that DPS staff and the Utilities work closely to collect as much data as possible during the pilot program period. PULP supports DPS staff's recommendation to collect anonymized data for customers to assess how AMI and SMI will impact discounts and participation rates, including service area-specific data. PULP also supports utilizing the same method for detailed tracking and reporting of collections data currently implemented with low-income customers, as it will be useful in determining the success of EEAPs. The Utilities support evaluating whether using SMI or AMI would best meet customers' affordability needs across the different service territories, and collection activity reporting similar to the EAP monthly reporting.

3. Determination

The Commission agrees that the first two years of the program should be treated as a pilot period to collect more data on customers' energy burdens and usage patterns across the State and each utility's service territory, and to explore opportunities for efficiencies. As such, the Commission approves the data collection, analysis, and reporting elements described in the proposal to inform potential modifications as the program matures and directs the utilities to file a report with the Commission within 30 days of the conclusion of each pilot program year.

Additionally, the Commission instructs DPS staff, in collaboration with the EAP Working Group, to review and assess data collected during the pilot period and to make recommendations to the Commission for future improvements.

The Commission also finds merit in AGREE's proposal to track and publish progress toward achieving energy burden goals but acknowledges many of the data limitations discussed elsewhere in this order may limit the usefulness of such a tool at this juncture. Nonetheless, the Commission instructs the EAP Working Group to explore the feasibility of developing a publicly viewable dashboard to highlight relevant data and trends, consistent with maintaining comprehensive protection of ratepayer privacy and the confidentiality and security of customer's personally identifiable information.

The Commission further agrees with the importance of monitoring this program's impact on arrears and instructs the utilities to track and report on collections data in the same manner and at the same frequency as the low-income EAP. DPS staff is directed to work with utilities to consider the feasibility of tracking collections data for low-income EAP and Enhanced EAP tiers on the same form.

Coordination with Other Programs

While the EEAP White Paper did not seek coordination with other programs during the pilot period, it discusses potential program coordination opportunities for eligibility identification and enrollment as more data is collected and calls for continued assessment of opportunities to leverage programs with overlapping eligibility requirements.

1. Stakeholder Comments

PULP agrees with and supports DPS staff's recommendation to coordinate EEAP with other programs for ease and efficiency in accessing all available programs providing affordability assistance for participants. PULP is concerned that language in the EEAP White Paper, specifically at page 27 where it states: "[c]ustomers ineligible for low-income EAP but verified below 60 percent median income to presumptively receive benefits equal to low-income EAP Tier 1 benefits, provided that a potential recipient's ineligibility is not predicated upon some disqualifying characteristic(s)," may inadvertently result in excluding one of the groups the EEAP is intended to include. PULP suggests that the Commission adopt the proposed benefit provided by Tier 1 without this language and maintains that eligibility should be based on verified income rather than whether customers are participating in other programs. The Utilities support identifying external programs with overlapping eligibility criteria that would assist in the enrollment of moderate-income customers through data matching.

2. Determination

The Commission agrees that every effort should be made to identify opportunities for coordination with other programs to assist in the identification and enrollment of eligible customers and directs DPS staff to work within the EAP Working Group to assess and deliver proposals to the Commission. Such efforts should also contemplate building overlapping benefit structures with programs (e.g., weatherization or energy efficiency, or access to renewable) that could assist ratepayers in achieving affordability in a lesser or least cost manner for ratepayers and over time for the State as a whole.

CONCLUSION

Extending utility bill relief to customers below median income who are currently ineligible for Energy Affordability Policy benefits serves as an important step toward helping more New Yorkers achieve the Commission’s target energy burden of six percent. As with the Commission’s low-income Energy Affordability Policy, the success of the Enhanced Energy Affordability Policy will be determined by cooperation and coordination among the utilities, DPS staff, and other stakeholders. Given the limited tools available to currently identify and enroll eligible customers in EEAPs, the collection and sharing of data among the EAP Working Group and the development of proposed modifications for Commission consideration will be central to achieving the goals of these programs. While this Order reflects meaningful progress to achieve the Commission’s energy affordability goals, more work will be required to enroll the most eligible households and mitigate ratepayer impacts. The Commission further encourages

LIPA to implement an EEAP program utilizing standards consistent with those established through this Order and anticipates that the LIPA Board will adopt similar (commensurate) requirements.

The Commission orders:

1. The recommendations of the March 18, 2025 Staff White Paper on Implementing an Enhanced Energy Affordability Policy are adopted, as modified, consistent with the discussion of the body of this Order.

2. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall file a report with the Secretary to the Commission within 90 days of the issuance of this Order providing a Benefit-Cost Analysis of enrollment process, providing justification for the method selected to perform income verification during the pilot period, and providing a feasibility assessment of verifying income eligibility and potentially automatically enrolling customers who stopped receiving low-income EAP benefits within the two years preceding the initial enrollment period, as discussed in the body of this Order.

3. Central Hudson Gas & Electric Corporation and National Fuel Gas Distribution Corporation shall indicate, in the filings pursuant to Ordering Clause No. 2, a detailed justification for deferring program enrollment, and to propose a timeline for enrollment not to exceed 270 days from the issuance of this Order, as discussed in the body of this Order.

4. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall, no less than 30 days prior to the beginning of the initial enrollment period, file program budgets for the period ending November 30, 2026, as discussed in the body of this Order.

5. Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation are directed to begin accepting Enhanced Energy Affordability Policy program applications within 180 days of the issuance of this Order, as discussed in the body of this Order.

6. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall incorporate Enhanced Energy Affordability Policy program budget filing worksheets into Energy Affordability Policy budget workbooks filed by November 1, 2026, and for all subsequent annual filings, as discussed in the body of this Order.

7. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall update the Energy Affordability Policy budget cap, as modified, for the Energy Affordability Policy program year beginning December 1, 2025, and modify Energy Affordability Policy budget workbooks filed by November 1, 2025, and for all subsequent annual filings, as discussed in the body of this Order.

8. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation are directed to incorporate the Enhanced Energy Affordability Policy within their respective annual Energy Affordability Policy reports, as discussed in the body of this Order.

9. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall, as discussed in the body of this Order, track

collection activity data for customers enrolled in Enhanced Energy Affordability Policy programs and incorporate such data in their monthly Energy Affordability Policy filings in Cases 14-M-0565 and 91-M-0744 in the manner prescribed in those proceedings.

10. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall incorporate targeted outreach to inform customers of the Enhanced Energy Affordability Policy as part of their annual Outreach and Education plans, as discussed in the body of this Order.

11. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall provide a reminder notice to enrolled customers on an annual basis, as discussed in the body of this Order.

12. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State

Electric & Gas Corporation, and Rochester Gas and Electric Corporation shall file a report with the Secretary to the Commission within 30 days of the conclusion of each pilot program year including anonymized geolocational customer data to assess the potential impact of State Median Income and Area Median Income on participation rates and discounts, an assessment of the feasibility and administrative burden of deploying an Area Median Income-based program on the utility service territory, and an assessment of enrollment impacts of service territory-wide State Median Income, Area Median Income, or a targeted hybrid approach, as discussed in the body of this Order.

13. Department of Public Service staff shall continue working within the Energy Affordability Policy Working Group to explore and identify potential opportunities to automatically identify and enroll eligible utility customers, as discussed in the body of this Order.

14. Department of Public Service staff shall, as discussed in the body of this Order, work with Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation to assess the feasibility of a state-administered income verification and automated enrollment system, develop cost estimates, and report findings to the Energy Affordability Policy Working Group within 18 months of the issuance of this Order.

15. In the Secretary’s sole discretion, the deadlines set forth in this Order may be extended. Any request for an

extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

16. These proceedings are continued.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

SUMMARY OF COMMENTS

Alliance for a Green Economy (AGREE)

- AGREE supports DPS staff's proposals that the EAP budget is insufficient and the budget cap should be increased. AGREE asserts that the "only policy measure" that should be met is the six percent energy burden goal.
  - AGREE urges the Commission to adopt DPS staff's proposals to increase the budget cap to 3.5 percent, which will allow for additional benefits to more households.
- AGREE expressed concerns with the six percent energy burden stemming from the data used to demonstrate a vast number of upstate New York households have high energy bill burdens, particularly those living below the poverty line in disadvantaged communities (DACs), whose energy burdens can be as high as 25 percent.
- AGREE states that it provided testimony in the most recent NMPC rate proceeding, which provided data that 106 of the highly burdened DACs have EAP participation at less than 50 percent and 20 of the DACs have EAP enrollment of less than 25 percent.
  - AGREE asserts that the utility EAPs are under-enrolled and encourages a larger budget that would serve to reach and support more customers.
- AGREE supports the pilot track and recommends the utilities be directed to advance toward the six percent energy bill burden goal, so as to document the lessons learned at each utility and their ability to enroll and reduce customers' energy burdens.

AARP

- AARP is generally supportive of an EEAP for moderate-income customers.
- AARP acknowledges that increasing the EAP enrollment as close as possible to 100 percent would result in increased program costs exceeding the current 2 percent revenue cap but feels it is the responsibility of the State to fund these costs, not ratepayers. AARP states it is not in line with the Commission's obligation to ensure just and reasonable rates for one group of ratepayers to fund programs for another.
- AARP applauds DPS staff's efforts to expand the current EAP to include more utility customers in need of assistance. However, AARP believes the current enrollment of only 40

percent of income-eligible customers in EAP is unacceptable and DPs staff’s focus should be on near 100 percent enrollment in EAP before moving forward with EEAP.

- AARP finds it “disturbing” that low-income customers not enrolled in the regular EAP have no meaningful support for “ever increasing utility bills” and state that it “is neither fair nor equitable” for these customers to fund the EEAP when they are already funding EAP.
- AARP voiced concern over the lack of funding for EEAP in the State Budget and the use of ratepayer-funded resources in order to implement it “while the regular EAP is drastically underenrolled.”

City of New York

- The City expresses support for the general intent and objectives of DPS staff’s proposal, but recommends the Commission reject the proposal in its current form, as the potential benefits of the proposed program do not justify its overhead costs and the associated expenses levied upon ratepayers. The City proposes several modifications to the program if the Commission approves the proposal.
- The City has concerns about the data used by DPS staff to produce its monthly discount estimates. In particular, the City believes that heating customers are most in need of assistance due to the high levels of volatility and price increases that they experience in billing, noting that DPS staff's six percent energy burden target fails to account for households that pay for utility service as a portion of their rent. The City recommends limiting participation to heating-only customers during the two-year pilot period and potentially indefinitely while the program is further developed.
- According to the City, DPS staff’s proposed $3 per month for these customers is insignificant and that the potential benefits of the program are diluted across an excessively large number of participants.
- The City recommends DPS staff and utilities work together during the pilot phase to develop an automated enrollment system to reduce administrative expenses. The City expects that using a self-enrollment system is necessary in the absence of another method for identifying moderate-income customers, but is concerned that such a system may suppress overall participation and add significant administrative expenses to the program. The City claims that similar problems would also be present if a “clearinghouse” system were used.

- The City states that the proposed credit of $1 to $5 each month is insufficient to meaningfully reduce the energy burden of New Yorkers, noting that inflation and "other political mandates" have reduced the value of such a credit over the past decade. The City is also concerned that the benefit provided to heating customers in particular is insufficient.

<u>The Utilities</u>

- The Utilities include: Central Hudson, Con Edison, KEDLI, KEDNY, NMPC, NFG, NYSEG, RG&E, O&R, and PSEG LI. However, PSEG LI is an agent for and service provider of the LIPA and not subject to the Commission's jurisdiction.
- The Utilities support the efforts of the EEAP and DPS staff's proposal to implement a two-year pilot that would expand EAP eligibility to low and moderate income eligible customers.
    - The Utilities also support DPS staff's proposal to develop methods for improving the Utilities' offerings for low- and moderate-income customers, such as alternative data matching or income verification, and applying the learnings from the pilot to both the EAP and any future EEAP.
- The Utilities support the effort to develop an EEAP that would provide bill relief to low- and moderate-income customers who do not currently benefit from the EAP and may be experiencing affordability issues.
    - These customers may not meet the Utilities' current program eligibility requirements, but their household income could make them candidates for participation.
    - The Utilities' goal is to improve the experience of program participants while mitigating the potential impacts to non-participants.
- The Utilities support a two-year pilot using the current EAP as a framework (same methodology used to currently calculate discounts).
- The Utilities support DPS staff's proposal to enhance eligibility to all residential customers below the New York City AMI in the Con Edison and KEDNY service territories. PSEG and KEDLI recommend the eligibility requirement be extended to customers below the Nassau County Area Median Income for the pilot period. For the remaining utilities, customers below the SMI that do not currently qualify for their utility EAP should also be eligible during the pilot period.

- The Utilities support DPS staff's recommendation to review the eligibility criteria based on information gathered throughout the pilot and to determine if the AMI, outside of New York City and Nassau County, grants the utilities the ability to further support customers' affordability issues.
    - The Utilities recommend the Commission apply the EEAP to natural gas customers as well so as to prevent confusion.
- The Utilities agree that a clearinghouse may be an efficient tool when determining customer eligibility verification. However, they express concerns regarding protecting and maintaining customer income data, which could be reduced by using an outside clearinghouse vendor.
    - The Utilities recommend jointly contracting with one clearinghouse vendor that would handle the customer income verification process statewide.
    - Using one vendor would allow for a consistency of the procedures during the verification process and storage of customer data.
    - The Utilities intend to conduct a cost analysis to determine whether separate clearinghouse vendors or a singular vendor would be more beneficial. Though, they anticipate a single vendor would aid in lowering costs.
- The Utilities stated DPS staff's timeline to commence the new EEAP is impracticable. The Utilities assert that they need to address/complete several implementation tasks prior to DPS staff's proposed date of December 1, 2025.
    - They need to: procure and onboard a clearinghouse vendor, develop an automated crediting process in their billing system, and develop other administration processes related to the program.
    - Central Hudson and National Fuel are also concerned with their planned, or ongoing, billing system upgrades, which could affect the implementation timeframe.
    - In order to ensure the successful completion of the implementation tasks, the Utilities request at least seven months following a Commission order before they must start accepting customer applications into the new program.
- The Utilities support investigating low-effort enrollment options for customers, since improvements to enrollment could result in more benefits for the utilities' most vulnerable customers.

  - The Utilities proposed to further discuss additional enrollment options in the EAP Working Group.
- The Utilities agree with DPS staff that the EEAP may assist customers who are not enrolled in the current utility low-income programs and no longer receive benefits.
  - The Utilities recommend a targeted outreach approach, which would inform customers of the new EEAP and encourage their application, rather than automatically enrolling customers.
- The Utilities support DPS staff's proposal to calculate the rate discounts consistent with the current EAP and supports providing monthly discounts.
- The Utilities do not anticipate significant increases to the annual, semi-annual, or monthly discounts as part of the implementation costs.
  - Rather, the Utilities posit that providing credits less frequently than monthly may add another level of complexity. For example, as customers start or stop their service, or are enrolled or de-enrolled from the program in between the times that the credits are issued, their credit amounts could be skewed.
  - The Utilities stated an annual credit may cause customer confusion as the current EAP provides a monthly bill discount, especially if a customer applied for the EEAP but later qualified for the EAP. The Utility would have to prorate discounts
  - or collect the remainder of the year's annual discount from the customer.
  - The Utilities agree that customers receiving their energy supply from an ESCO should qualify for the same discount, but recommends the Commission clarify that the discount would apply to the customer's entire bill, regardless of their choice in energy supplier.
  - The Utilities support DPS staff's proposed two-tier benefit framework to enroll customers. However, the Utilities reiterated the differences between NYC and Nassau County potential program participants.
- The Utilities also support establishing a monthly minimum discount of $3.00 for customers below 80 percent of the income threshold and $1.00 for customers between 80 and 100 percent. The Utilities assert that these minimum discounts may result in further participation and customer engagement with prospective participants who are not currently eligible for the Utilities' EAP.
  - The Utilities recommend the monthly minimum discount only apply to moderate income customers when the

program budget cap has not been met. The Utilities posit that providing the discount to these customers when the cap is met could reduce discounts to low-income customers.
    - The Utilities also state that reducing the benefits for low-income EAP customers should only be done if further budget relief is necessary.
- The Utilities support DPs staff's proposal to continue the current annual budget methodology. However, the Utilities assert that including 100 percent enrollment when determining the budget could result in an overallocation of program funds.
- The Utilities support DPS staff's proposal to modify the program cap to three percent with a mechanism that allows for the petition of a temporary adjustment to increase the cap to 3.5 percent. The Utilities recommend that the petition process should allow enough time for the Commission to review the petition(s), provide guidance, and the Utilities to be able to implement
- the adjusted cap in accordance with a Commission Order.
- The Utilities also support the EEAP White Paper recommendation to identify non-ratepayer funding sources to minimize ratepayer impacts.
- The Utilities are supportive of utilizing the SMI and AMI to determine customers' income levels.
- The Utilities support obtaining moderate income collection activity reports, which would align with current EAP reporting.
- The Utilities request the Commission grant incremental cost recovery related to the implementation and administration of the EEAP, which may include, but is not limited to: bill discounts that are not currently in rates; the clearinghouse vendor services; IT costs related to billing system upgrades; education, marketing, and outreach; and, incremental full time staffing.
    - The Utilities suggest the Commission institute a revenue requirement deferral mechanism for incremental costs that would be subject to carrying charges at each respective utility's pre-tax weighted average cost of capital, which could then be addressed in that utility's next rate case proceeding.

National Fuel Gas Distribution Corporation (NFG)

- NFG is submitting comments separately from the Utilities, as it is generally supportive of the two-year pilot.

However, NFG recommends the Commission grant utilities additional flexibility when monitoring prospective customers' household income requirements, rather than mandating participation. This additional flexibility would be for utility cases where customers with household incomes between 60 and 100 percent of the SMI or local median income (LMI) do not need a discount to achieve an energy bill burden of six percent.

- NFG asserts that each utility should conduct an annual analysis, if it is not running an EEAP, that would use the established statewide methodologies, to determine if a discount is warranted for these households. If the analysis demonstrates a discount is necessary, then the utility should implement a program consistent with the EEAP within six months of the analysis.
  - By affording this flexibility to the utilities, the Commission would grant more resources to aid EAP customers that may have energy burdens in excess of the six percent, while potentially reducing program admin
  - stration costs, reducing the need for a clearinghouse vendor, and minimizing the impact to all ratepayers.
- NFG asserts that the EEAP White Paper recommendation to use SMI and LMI to determine minimum monthly discounts for Moderate Income Households conflicts with DPS staff's analysis that "households approaching moderate income levels do not need an additional benefit to achieve a six percent energy burden… [and] require little to no benefit to achieve the target [6%] energy burden." NFG states that utilities should not be mandated to operate an EEAP when no discount is needed for Moderate Income Households.
  - NFG asserts that DPS staff's analysis does not demonstrate a need for Moderate Income Household discounts at NMPC, NFG, or RG&E. NFG also states this includes NYSEG, with the exception of NYSEG's monthly discount of less than $1 for non-heating customers at 60 percent of the SMI.
  - NFG posits the need for moderate income customer bill assistance may be a downstate issue, since upstate utilities do not need financial aid for these customers. Therefore, requiring utilities to invest in billing system modifications and administrative costs is unnecessary and harmful to other ratepayers.
- NFG states that when reviewing any utility program budget increases, the Commission should consider the affordability for all customers.

  - o NFG is supportive of the EEAP White Paper recommendations to increase the program budget, but recommends the Commission conduct an analysis of discount impacts to achieve Target Energy Burdens, in order to mitigate the impact on non-participating customers.
- NFG deviates from the Utilities and asserts that no minimum discount should be established when the customer's utility bill meets the Target Energy Burden.
  - o NFG posits that providing this unnecessary aid may harm EAP participants who could be denied a discount that would reduce their bill to the Target Energy Burden and impact other non-participating customers.
  - o NFG states that $1 or $3 discounts will not encourage a significant number of customers to provide the necessary information to successfully complete the program application process. Additionally, other customers who apply may be upset or discouraged when they only receive $12 or $36 a year.
- NFG posits that since it is unique, with its five-tier low-income program, it provides larger total discounts to EAP participants who are in the greatest financial need compared to those utilities who have the four-tier EAP.
  - o NFG states that its two percent budget cap has already inhibited EAP customer bill discounts, resulting in the lowest tier households exceeding the Target Energy Burden.
- NFG recommends the Commission eliminate any unnecessary discounts, so that funds could be used where they are needed.
  - o The straw proposal's recommendation to increase the EAP budget to three percent would result in an additional $8 million in discounts for EAP customers.
- NFG posits that, while a petition could be submitted to increase the budget cap, this would place increased expenses on non-participating customers.
  - o NFG asserts that the Commission should clearly state that prior to any temporary budget cap increases and any unnecessary discounts, such as those recommended in the straw proposal and the minimum EAP discounts that have the Glide Rule applied, be eliminated.
- NFG recommends the Commission clearly state that the budget caps include the statewide clearinghouse vendor expenses, Information Technology, training, and material expenses.
- NFG recommends the Energy Affordability Policy Working Group continue to look at other methods for targeting

discounts to customers in order to improve the cost effectiveness of financial assistance programs.

- NFG suggests the Energy Affordability Policy Working Group look at other utility programs to determine whether they could be efficiently and effectively applied to aid New York customers.

Public Utility Law Project (PULP)

- PULP recommends the EEAP be established as its own program with its own structure and funding. PULP expresses concern that low-income EAP ratepayers may experience a decrease in benefits if the EEAP is integrated with EAP, despite a lower administrative burden and an increase to the budget cap to 3.5 percent. PULP contends that a budget cap increase does not provide a guarantee of protection for benefits already received by low-income enrollees.
- PULP supports DPS staff recommendations regarding EEAP eligibility criteria and states it is appropriate for it to be set at 100% of SMI, as the State Budget appropriation called for a program for residential customers whose income is below the state median.
- PULP also supports the use of area median income, or AMI, or other eligibility thresholds, should use of SMI be inadequate to reach all households experiencing an energy burden greater than six percent.
- PULP supports DPS staff's proposal to include low-income households currently ineligible for EAP but below 60 percent median income, as this would mend the current equity gap and provide some of the most vulnerable utility customers with meaningful support.
- During the two-year pilot period, PULP encourages DPS staff, the utilities, and others to research whether other areas in the state would benefit from the use of AMI.
- To balance program integrity with ease of enrollment, PULP supports DPS staff's recommendation that, when feasible, utilities utilize existing enrollment mechanisms and verify eligibility either via a clearinghouse or independently. PULP also supports the recommendation that utilities conduct a benefit-cost analysis to assess the effectiveness of individual versus a centralized clearinghouse. During the pilot period, PULP encourages DPS staff to explore the feasibility of enrollment verification through a state agency, public authority, or a clearinghouse resourced by DPS.

- PULP acknowledges the unique challenges faced by PSEG LI with the implementation of EEAP and the affects it may have on the Long Island Power Authority's tariff. PULP recommends PSEG and LIPA implement EEAP as soon as it has been approved by the Commission in order to ensure moderate-income customers in the LIPA service area are not left behind the rest of the state.
- PULP supports fixed discounts aimed at achieving a six percent energy burden and agrees it is appropriate to establish income-based tiers. PULP states the proposed minimum monthly discounts of $3.00 and $1.00 for the respective tiers are reasonable starting points. However, PULP encourages analysis of actual usage, bills, and incomes of utility customers, as the proposed benefit levels may not achieve a six percent energy burden.
- PULP contends that tailored discounts, particularly for high-usage or high-energy-burdened households, may be more effective and should be evaluated during the pilot.
- PULP states that on page 27, the EEAP White Paper may inadvertently exclude one of the groups the EEAP is intended for. PULP recommends that the Commission adopt the proposed benefit provided by Tier 1 without this language and maintain eligibility should be based on verified income rather than whether or not customers participate in other programs.
- PULP acknowledges that estimates provided by the EEAP White Paper come from conservative assumptions and that participation will likely be lower than estimated during the two-year pilot period. However, PULP is concerned about the potential of additional strain on utility EAP budgets, noting that many utilities have already reached or exceeded the existing 2 percent budget cap with only 40 percent enrollment. PULP states that it is important to establish clear safeguards to protect low-income customers and benefits.
- PULP strongly encourages exploration of alternative, public funding for EEAP, as ratepayer surcharges do not present a sustainable or equitable solution, given the continued rise in utility rates.
- PULP supports DPS staff's recommendation to coordinate EEAP with other programs for ease and efficiency in accessing all available programs.