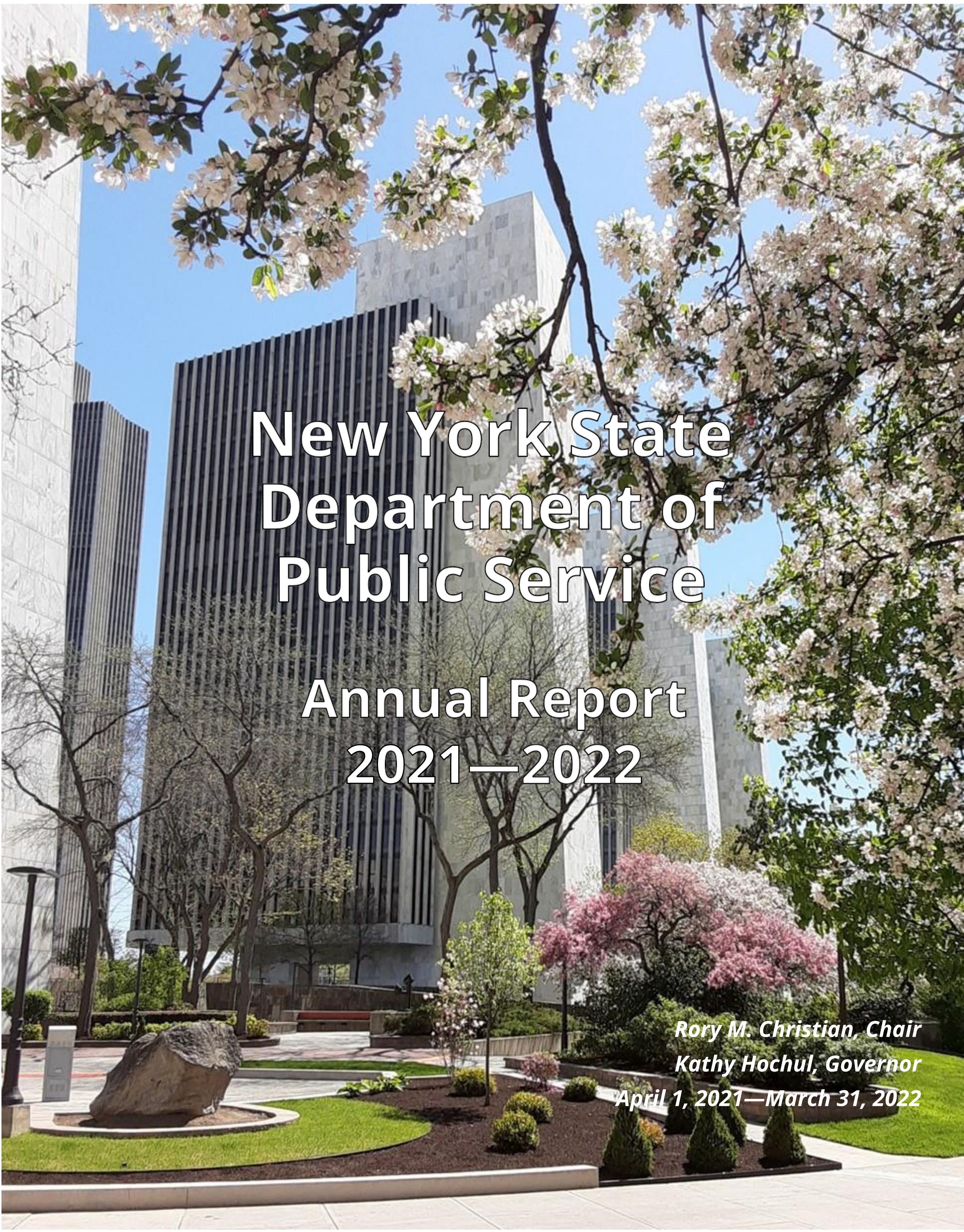

New York State Department of Public Service

Annual Report 2021—2022

Rory M. Christian, Chair
Kathy Hochul, Governor
April 1, 2021—March 31, 2022

State of New York

Public Service Commission | Department of Public Service

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TABLE OF CONTENTS

Cover Photo: Empire State Plaza, Building 3
Back Cover: Empire State Plaza
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State of New York

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Mission Statement

The primary mission of the New York State Department of Public Service is to ensure affordable, safe, secure, and reliable access to electric, gas, steam, telecommunication, and water services for the New York States residential and business consumers, while protecting the natural environment. The Department also seeks to stimulate effective competitive markets for clean, renewable, and distributed energy resources that benefit New York Consumers, as well as product and service innovations.

FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

In September, Governor Kathy Hochul designated me as the Chair of the Public Service Commission (the Commission) and Chief Executive Officer of the Department of Public Service (the Department). In accepting the position, I thanked my predecessor, John Howard, for putting his extensive expertise to work for New Yorkers over the course of four decades of State service. Under his leadership as Chair, the Commission issued 483 orders, including decisions that expanded the Commission's energy affordability programs for low-income customers, and adopted settlements with utilities totaling nearly $190 million in ratepayer benefits to address emergency preparedness and response, approved the selling of Indian Point, approved the largest settlement with utilities in history as a result of inadequate storm response, and established the precedent that the Climate Leadership and Community Protection Act, or CLCPA, will apply to all rate cases going forward.

Availability of reliable, affordable, and safe electric, natural gas, water, steam, telecommunications, and cable services is critical to the welfare of the State's citizenry and essential to New York's economy. The Department and the Commission were statutorily established to oversee these natural monopolies to ensure their essential services are safe and reliable, provided at just and reasonable rates, and are protective of natural resources.

From April 1, 2021, to March 31, 2022, the Department and the Commission continued this mission. We also continued to seek to stimulate effective competitive markets that benefit New York consumers through strategic investments and encouraged development of new innovations.

The Commission's regulatory jurisdiction extends over New York's investor-owned utilities, including six major electric/gas utilities, five major gas-only utilities, and two major water companies. We have jurisdiction over small telephone companies, hundreds of small water companies, nearly 40 municipal utilities, cable companies, power generators, and energy service companies. The Department — the administrative arm of the Commission — also provides regulatory oversight of electric utility operations on Long Island.

We ensure that companies make appropriate and necessary investments, while preserving affordability for customers by ensuring that services are provided at just and reasonable rates, and we ensure the preservation of environmental values and the conservation of natural resources.

FY 2021-22 was another successful year for the Department and Commission.

Governor Hochul's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy as New York State recovers from the COVID-19 pandemic.

Enshrined into law through CLCPA, New York is on a path to achieve its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy-wide carbon neutrality. It builds on New York's unprecedented investments to ramp-up clean energy, including over $21 billion in 91 large-scale renewable projects across the State, $6.8 billion to reduce buildings emissions, $1.8 billion to scale up solar, more than $1 billion for clean transportation initiatives, and over $1.2 billion in NY Green Bank commitments.

The CLCPA represents the most ambitious and comprehensive climate and clean energy law in the Nation. The economy-wide decarbonization codified in CLCPA requires that New York harness a power generation sector that no longer emits greenhouse gases and provides electricity for a greater proportion of the overall economy. Both strategies, decarbonization of the generation sector and electrification of other sectors, will ensure efficiency and cost-effectiveness and set New York State on a rapid and irreversible path to achieve the 2040 Zero Emission Target.

CLCPA strengthened the State's existing clean energy targets by directing the Commission to establish a program requiring utilities and other energy providers to procure 70 percent of their electricity from renewable energy resources by 2030, up from 50 percent previously, with the ultimate goal of zero net carbon emissions from the grid by 2040. The CLCPA also sets technology-specific requirements, including the deployment of at least 9,000 MW of offshore wind by 2035, 6,000 MW of photovoltaic solar by 2025, and 3,000 MW of energy storage resources by 2030. In making its final determination, the Commission was required to identify the potential environmental impacts of these renewable energy targets and the means available to minimize any that are adverse, as required by the State Environmental Quality Review Act (SEQRA).

On January 5, 2022, Governor Hochul announced a plan to directly invest in offshore wind manufacturing and supply chain infrastructure, create thousands of good-paying green jobs, deliver billions in economic impact, and generate enough energy to power millions of homes. The offshore wind plan will build on more than 6,800 direct high-paying jobs, a combined economic impact of $12.1 billion statewide, and more than 4.3 gigawatts of energy, which is enough to power nearly 3 million New York homes, representing half of New York's 2035 goal. New York will invest up to $500 million in the ports, manufacturing, and supply chain infrastructure needed to advance its offshore wind industry, leveraging private capital to deliver more than $2 billion in economic activity while creating more than 2,000 good-paying green jobs.

This investment will ensure that New York has the strongest offshore wind energy market along the Eastern Seaboard, enabling us to be the offshore wind supply chain hub for other projects up and down the coast. NYSERDA will launch its next offshore wind procurement in 2022, which is expected to result in at least 2 gigawatts of new projects — enough to power 1.5 million homes, bringing the State's combined total to more than 4.5 million homes powered by offshore wind. To realize an offshore wind grid able to deliver at least 6 gigawatts of offshore wind energy directly into New York City while minimizing onshore and ocean floor impacts, State agencies will conduct a New York State Cable Corridor Study to identify strategic offshore wind cable corridors and access key points of interconnection to the grid.

Respectfully,

Rory M. Christian
Chair and CEO
June 7, 2022

INTRODUCTION

The staff of the Department of Public Service (Department) is the investigative and advisory body to the Commission relating to the State's utilities. The Department staff provides a similar function with respect to applications to construct and operate generating facilities before the New York State Board on Electric Generation Siting and the Environment (Siting Board) pursuant to Article 10 of the Public Service Law. In addition, the Department administers policies, rules, and regulations promulgated by the Commission, including service and operating standards for utilities. The Chair of the Commission is the Chief Executive Officer of the Department and the Chair of the Siting Board.

The Department's responsibilities include advising the Commission on all decisions it must make in matters such as rate determinations, utility financing, consumer protection, safety and reliability of utility services, and siting of gas and electric transmission facilities. The Department also represents the Commission in State and federal proceedings which impact New York ratepayers or have a bearing on State legislative mandates concerning utility services or Commission policies.

Staff develops and implements State regulatory and energy policies; inspects utility equipment necessary for rendering service to the public; conducts and participates in hearings; oversees management and operations audits; and receives, investigates, and resolves complaints regarding billing, services, and other utility or energy service companies' practices.

ADDRESSING THE COVID-19 PANDEMIC

Through the second year of the COVID-19 pandemic, the Department continued working with utilities across the State to ensure that any customers affected by COVID-19 restrictions would not lose power or heat due to financial hardship. The State's major electric, gas, and water utilities took action to suspend service shutoffs to households during the COVID-19 outbreak.

The State's major electric and gas utilities, Consolidated Edison of New York, Inc. (Con Edison); National Grid; Central Hudson Gas & Electric Corporation (Central Hudson); Orange & Rockland (O&R); New York State Electric & Gas Corporation (NYSEG); Rochester Gas & Electric (RG&E); Public Service Enterprise Group Long Island (PSEG-LI); National Fuel Gas Distribution Corporation (NFG), and smaller utilities committed to suspend non-payment shut-offs for customers, and to assist their customers impacted by COVID-19 who experienced financial hardship that made it difficult for them to pay their utility bills. Historically, the Department has asked the utilities for more lenient repayment options during times of hardship. For example, every year during the coldest parts of the winter, the major electric and gas utilities suspend service terminations for non-payment.

In May, legislation extended a moratorium that prevented utility companies from disconnecting utilities to residential households and small businesses that are struggling with their bills due to the COVID-19 pandemic. The moratorium was extended for a period of 180 days after the COVID-19 state of emergency was lifted, or 180 days after December 31, 2021.

Utility companies offered customers a deferred payment agreement without fees or penalties on any past-due balance. This legislation expanded to cable and broadband internet service providers and made the moratorium protections available to small businesses.

Through this program, New York committed more than $238 million annually helping to keep the lights and heat on for the most vulnerable New Yorkers, while actively striving to expand coverage to additional families.

Additionally, gas and electric utilities forwent arrears collection from eligible low-income residential customers who rent, and the enacted budget provides a dollar-for-dollar income tax credit for up to 12 months of arrears owed to the utility by those eligible customers. The $150 million was made available for a one-time payment to the Home Energy Assistance Program- (HEAP) eligible households through the regular arrears supplement until September 2022, or until funding is exhausted.

Investigations and Settlements

The Commission amended the electric emergency response plans for the State's major electric utilities and directed each utility to file its approved plan with the county executive, the chief elected official of a county for each county within its service territory, or the emergency management office of the City of New York. The amended emergency response plans reflect corrective actions following Tropical Storm (TS) Isaias investigation and settlements.

Investigation Into National Grid's Downstate Operations

In June, the Department commenced an investigation into National Grid's downstate gas business after several former National Grid employees were charged in a bribery and kickback scheme involving contracts worth tens of millions of dollars.

A federal complaint was unsealed in Brooklyn against five former National Grid managers employed in the company's facilities department with conspiring to violate the Travel Act by accepting hundreds of thousands of dollars in bribes and kickbacks in exchange for steering contracts to certain Long Island-based contractors with whom the company did business. One contractor, according to the complaint, secured more than $50 million in facility maintenance contracts from the company during the time that the contractor was paying bribes to the defendants.

The investigation into National Grid's contracts focuses on identifying any financial impacts of the criminal activity on ratepayers, securing recovery of such costs for ratepayer benefit, determining how the activity was not uncovered for such a long period of time, and identifying changes that must be made at National Grid to ensure that such a situation does not arise again.

The Commission released details of its investigation into the National Grid former employees charged in a bribery and kickback scheme. A federal criminal complaint was issued June 17, 2021.

As alleged, the conduct described in the complaint appears to have resulted in unwarranted payments by National Grid to contractors to the detriment of the companies' customers. Such unwarranted expenditures would have been included in the costs of the company's maintenance projects. Because such expenditures are an integral part of the National Grid's rate case filings, such costs would have been, and continue to be, collected in gas rates charged to customers. To the extent that National Grid's rates included charges for payments to contractors that were illegal and unwarranted, they would by definition be unjust and unreasonable.

National Grid must evaluate all contracts entered through, or on behalf of, the facilities department from 2010 to date, unless it can demonstrate why a shorter timeframe is appropriate. In particular, the complaint alleges kickbacks and/or bribes related to National Grid contracts with at least two vendors. National Grid must endeavor to identify the two vendors and review all of its contracts with these vendors during the aforementioned timeframe. Upon its review, National Grid must identify all operations and maintenance (O&M) and capital expenditures associated with the contracts with these vendors. Further, National Grid must also demonstrate that its expenditures related to such contracts were prudent.

$86.2 Million in Settlements with Four Utilities for Failures Related to Power Outages and Emergency Response, Including Tropical Storm Isaias

In July, the Commission accepted the terms of settlements valued at $86.2 million regarding alleged violations committed by four New York utilities -- Consolidated Edison of New York (Con Edison), Orange & Rockland Utilities, Inc. (O&R), Central Hudson Gas & Electric Corporation (Central Hudson), and Frontier Communications of New York, Inc. (Frontier) -- for failing to adequately prepare for and respond to emergencies, including Tropical Storm (TS) Isaias in 2020

For these failures, as well as failures related to the 2019 Brooklyn/Manhattan outages and a steam outage in 2018, Con Edison and O&R will pay a $82.05 million settlement. Frontier and Central Hudson will pay $2.7 million and $1.5 million, respectively.

The settlements added to a previously announced $72 million settlement with broadband provider Altice, and the $1.5 million settlement with New York State Electric & Gas Corp. (NYSEG) related to those companies' failures to prepare and respond to TS Isaias, and $30 million forfeited by PSEG Long Island to resolve then-pending litigation related to PSEG LI's management failures during TS Isaias. These settlements resolved all open investigations related to TS Isaias, less than one year after it made landfall in New York State.

The total for all the settlements is nearly $190 million. The money from the settlements will be used to offset costs that would have been otherwise borne by customers. Many requirements found in the settlement were developed with input from local elected officials and community groups, such as United Westchester. Among the requirements set forth is that Con Edison and the other utilities develop more robust storm-response programs and enhance communication and coordination with municipal and county governments.

Maintaining reliability and service is a fundamental utility responsibility, and the Commission holds utilities accountable if they fail to meet their responsibility. The fact that customers pay for utilities' operations, if those operations are mismanaged, then customers should not be held liable. Utility shareholders should pay to remedy such situations and these penalties should serve as a deterrent to avoid repeat situations. The money coming from shareholders will go directly to invest in making the utilities more reliable and to be better positioned to meet customer needs in the future.

On August 4, 2020, TS Isaias struck New York bringing strong winds and heavy rain that particularly impacted the Mid-Hudson, New York City, and Long Island regions. The TS caused extensive damage to electric distribution infrastructure that led to lengthy outages for a substantial number of New York utility customers. Peak outages affected approximately 900,000 customers. The Department immediately launched an expedited investigation into utility performance. The Department of Financial Services supported the investigation with its extensive legal and forensic resources, allowing for a more timely and comprehensive review.

TS Isaias left thousands of Central Hudson customers without power, some for several days. Upon investigation, the Commission alleged 32 violations of Central Hudson's emergency response plan, related to faulty storm classifications, inadequate storm staffing, inadequate communications staffing personnel, and the failure to comply with metrics related to contacts with life support equipment customers. To settle the investigation, Central Hudson paid $1.5 million.

TS Isaias also left many Frontier Communication customers without service for a significant period of time, and Frontier's Sullivan and Orange County networks experienced several critical outages, including an equipment failure that caused the loss of service to 5,800 customers as well as the loss of 911 network in Orange County, leaving citizens without the ability to call for emergency help.

The Department's investigation found that Frontier was in apparent violation of Commission regulations, including that Frontier did not implement procedures, test, or operate equipment at certain central offices. To settle the investigation, Frontier paid $2.7 million.

$10 Million in Settlements with Two Utilities to Resolve Disputes and Help Expand Broadband Coverage

In August, the Commission adopted two joint settlement agreements valued at $10 million that resolved penalty amounts for alleged violations against Rochester Gas & Electric Corp. (RG&E) and Frontier regarding their alleged failures to comply with the terms and conditions of the Commission's utility pole attachment rules. The settlements followed an Department investigation that found Frontier and RG&E allowed non-conforming pole attachments to remain in place on their respective utility poles without remediation, in violation of State safety standards.

In its decision, the Commission accepted a negotiated settlement of $5 million against RG&E to resolve the dispute, with $2.5 million suspended pending compliance with remediation metrics, and accepted a negotiated settlement of $5 million with Frontier. The $7.5 million in immediate funds will go into an escrow account to be used by the New York State Broadband Program Office (BPO) to expand wireline broadband throughout the State. Staff will work with the BPO to disperse the funds.

In addition to helping provide broadband service to unserved or underserved areas in New York State, the $10 million in settlements also includes remediation metrics that require RG&E and Frontier to fully remediate all identified safety issues on their poles and conduct a full audit of their service territory and fix any safety violations found as a result.

Frontier will have the right of first refusal for locations served by Frontier, or its New York affiliates, in future BPO solicitations funded by the Frontier settlement. The two agreements immediately deposited $7.5 million into a fund to be administered by the BPO to expand wireline broadband in the State to those who need it most. These agreements will also ensure that all known safety violations will be remediated immediately, and that all poles in the service territories will be inspected and made safe by December 2022.

Sale of SUEZ Water

In December, the Commission adopted the terms of a joint proposal regarding the sale of SUEZ Water (SUEZ), a private water company in Rockland County, to Veolia North America, Inc. (Veolia). The joint proposal, signed by the companies, Department staff, and the Utility

Intervention Unit of the Department of State, provides for shareholder contributions to arrears relief and to a new low-income discount program, a $4 million regulatory liability for future rate relief, and $750,000 in community support. No changes to personnel, management, and operations will be made to any SUEZ employees in New York for at least 18 months.

In addition to the joint proposal requirements, the Commission requested Department staff conduct a study of the feasibility of municipalities in the SUEZ service territory municipalizing the company and its assets, and to provide the information to the Commission and affected municipalities by June 30, 2022.

Under the joint proposal, company shareholders will donate an amount equivalent to 30 percent of the total residential customer arrears more than 60 days overdue, measured at the time of Commission approval of the transaction, designated as COVID-19 relief. The joint proposal also commits the merged company to accelerate the development of a low-income discount program and includes a commitment to a shareholder contribution of $1.5 million towards the initial costs of that low-income discount program.

The joint proposal states that the company will collaborate with staff and other interested parties regarding the Low-Income Household Water Assistance Program funded by the American Rescue Plan and Consolidated Appropriations Act of 2021. This agreement will accelerate the process of identifying and providing needed relief to low-income customers in SUEZ service territory.

Finally, to demonstrate its commitment to improving SUEZ's customer service, the joint proposal requires Veolia to file a customer service improvement plan within 120 days from the date of the sale. The plan will be based on an in-depth review of SUEZ's customer service operations to identify changes to customer service that will benefit customers, allowing for the identification of any customer service areas that need improvement.

The decision prevents a municipality from attempting to acquire the assets of SUEZ within its municipal footprint either by negotiation or by eminent domain proceedings. The transaction simply changes the controlling company that serves as the ultimate parent to SUEZ. The company serves 500,000 residents in Rockland, Westchester, Tioga, Putnam, and Orange counties.

Sale of Private Long Island Water Business

In December, the Commission approved the sale of New York American Water Company (NYAW), a private water company on Long Island, to Liberty Utilities Corp (Liberty). The well-supported agreement secures a process for potential municipalization in the future, while providing $23.5 million in direct customer benefits, including an immediate base rate reduction for residential customers.

The Commission adopted terms of a joint proposal agreed to by Liberty, NYAW, the Department, the Village of Sea Cliff, the Massapequa Water District, North Shore Concerned Citizens, and the Glen Head Glenwood Civic Council. The agreement provides for Liberty's acquisition of 100 percent of NYAW's outstanding capital stock and the issuance of associated long-term indebtedness of approximately $198 million.

The joint proposal included a base rate freeze under the current rate plan in effect through March 31, 2023. In addition, the newly owned operating company will continue to be known as New York American Water for the near term.

The approved agreement also includes:

- **Municipalization/Municipal Transfer:** The joint proposal provides that Liberty is committed to a detailed plan to facilitate municipal acquisition of a portion or portions of the NYAW system. Liberty acknowledges the passage of legislation creating the North Shore Water Authority and South Nassau County Water Authority, and the interest of certain municipalities to acquire portions of the system. As such, the joint proposal set forth a specified timeline for municipalization negotiations to begin in which the companies and the interested municipalities will exchange information, enter into good-faith negotiations, conduct expert valuations and appraisals, execute a purchase agreement, and obtain Commission approval. The joint proposal also preserves a municipality's right to pursue eminent domain proceedings.
- **Increased Public Benefits Greater Local Control:** NYAW provides residential and non-residential metered and other water services as well as public and private fire protection services in parts of Nassau, Putnam, Sullivan, Ulster, Washington, and Westchester counties. NYAW has about 124,000 customers system-wide, including 120,000 on Long Island.

Transfer of Upstate Nuclear Power Plants

In December, the Commission accepted a joint proposal by Exelon Corporation and Exelon Generation Company, LLC (Exelon Generation), staff of the Department, the New York State Office of the Attorney General, the Alliance for a Green Economy, and the Long Island Power Authority concerning the corporate transfer of four upstate nuclear power plants. The four plants will be spun off by the current owner and -- along with reactors in other states -- will become the core business of an independent, publicly traded, and well-capitalized holding company that directly and indirectly owns and operates merchant generation and serves customers in competitive electricity and gas markets.

After the transaction closed, Exelon Generation became part of a new, independent, publicly traded entity that owns the two-unit, 1,918 MW Nine Mile Point nuclear power plants in Scriba, Oswego County; the 579 MW R.E. Ginna nuclear power plant in Ontario, Wayne County; and the 842 MW James A. FitzPatrick nuclear power plant, also in Scriba. In total, the power plants generate enough clean, reliable energy for more than 2.6 million average-sized homes. The new owner will use the same skilled workforce that currently operates the sites.

Among those supporting the transaction were the County of Oswego, which stated that for nearly five decades, New York's upstate nuclear facilities have provided thousands of jobs and reliable tax dollars for Oswego County; Wayne County, which expressed support for the facilities' job creation and tax dollars; the New York State Building and Construction Trades Council, representing over 200,000 unionized construction workers across the State; and the International Brotherhood of Electrical Workers, Local 97, representing approximately 4,700 electrical workers across upstate New York.

The current operating licenses for the upstate nuclear facilities expire in 2029 for Ginna and Nine Mile Point 1, 2034 for FitzPatrick, and 2046 for Nine Mile Point 2. The NRC and the Commission required funds be set aside to assist with the decommissioning of the facilities and the restoration of the sites. Exelon subsidiaries also own and operate power reactors in other states, including Maryland, Pennsylvania, New Jersey, and Illinois

Central Hudson Audit, Storm Response, and Billing Review Underway

In March, the Commission approved a third-party independent consulting company to conduct a comprehensive management and operations audit of Central Hudson Gas & Electric Corporation (Central Hudson).

The Commission also announced a review of Central Hudson's response to the February winter storm that left more than 67,000 homes and businesses without power and is investigating ongoing billing problems related to the company's recent upgrade to a new billing system that resulted in many customers not receiving timely monthly bills.

The management audit, which will be conducted by Overland Consulting, includes a review of customer information system changes since the last audit and the impact of such changes on customers. The audit will also examine governance, management, and customer operations, including the bill estimation processes.

The law provides the Commission the authority to conduct management and operations audits of natural gas and electric utilities. For large electric and natural gas utilities, such as Central Hudson, the law requires such audits at least once every five years.

The Commission examined Central Hudson's actions regarding the storm on February 4, 2022. About 67,400 Central Hudson residential and commercial customers lost service as a result of that storm, and it took about four days to fully restore all of the customers.

The audit launched will examine Central Hudson's electric and gas operations in New York State. The audit will also provide an assessment of Central Hudson's grid modernization efforts and examines how the company plans for and manages projects related to the Climate Leadership and Community Protection Act or CLCPA.

The Commission required detailed scorecard reports from Central Hudson based on the length and severity of the March winter storm. The publicly filed scorecards serve as a tool for the quantitative assessment of the State's electric utilities' performance in restoring power to customers after a significant outage. The reports will be thoroughly reviewed by Department staff, and a determination will be made regarding next steps.

In terms of the recent supply price bill surge, on March 1, 2022, the Commission sent letters to all of New York's major electric and gas utilities, including Central Hudson, requiring them to increase their outreach and education efforts on the continuing surge in energy supply prices and the impact it will have on utility bills. The Commission views this outreach effort as essential considering the increases to utility bills customers are experiencing as a result of the rising cost of fossil fuels.

Finally, Department staff are aware of recent billing and customer service issues faced by customers of Central Hudson. An on-going independent investigation is underway. The Agency is actively working with the utility to ensure these issues are resolved as soon as possible and appropriate plans are put in place to prevent these situations in the future.

Central Hudson serves approximately 309,000 electric customers and 84,000 natural gas customers in the mid-Hudson region.

PLANNING FOR THE CLEAN ENERGY FUTURE

Safe and Fair Data Access Will Meet New York's Clean Energy Goals

In April, the Commission adopted a new framework regarding data access that will enable consistent access to, and appropriate use of, energy-related data with enhanced customer data protections; further the trust relationship between energy suppliers and consumers; and enable innovation to help New York State meet its nation-leading energy goals.

Collecting, integrating, analyzing, and managing energy-related information from the State's electric and gas utilities and other sources will enable energy companies, consumers, and others to more readily and equitably develop valuable technical and business insights by using queries and other functions to filter, aggregate, analyze, and generate useful information. Those insights will, in turn, lead to faster and better policy, investment, and utility operational decisions that will accelerate the realization of New York's Climate Leadership and Community Protection Act (CLCPA) goals. The Commission recognized the need to address data related issues through many of its prior proceedings and continues to take necessary steps to increase access to, and the appropriate use of, customer and system data in order to further New York State's clean energy goals and continue support of the Department's mission.

Achieving the State's clean energy goals requires the continued development and maintenance of system data and customer energy-related data. The benefits are numerous and encompass all levels of the market from the customer up, and also support New York State's energy efficiency goals. The framework adopts a risk-based approach and serves as a single source for statewide data access requirements, no longer perpetuating the need for each utility to take on a repetitive function that can be centralized to the benefit of ratepayers. The framework provides uniform and consistent guidance on the availability of, and what is needed for access to, energy-related data. Releasing readily available energy-related data by means of useful access mechanisms supports New York in meeting its clean energy goals and facilitating the objectives of the Commission's energy system reforms. The ability of market participants to deliver smart, economically sound energy solutions and the ability of customers to share their energy usage data, will animate markets, facilitate customer choice, and provide systemic benefits to all New Yorkers. In conjunction with useful data access, it is necessary to ensure that the proper protections of information technology systems, data systems, and customers' privacy exist. Understanding the importance of data access and protections, the framework will ensure that the necessary data access requirements are clearly recognized and fully met consistently and effectively across the State.

In addition, the framework clearly defines the process for data access and standardizes the necessary privacy, cybersecurity, and quality requirements for access to energy-related data in a way that ensures uniform treatment across various energy-related data use cases.

NY-Sun Community Solar Program

In July, three gigawatts of solar were installed across the State, enough to power more than half a million homes, underscoring New York's leadership in growing one of the strongest solar markets in the nation. Since the launch of the NY-Sun initiative in 2011 by the New York State Energy Research & Development

Authority (NYSERDA), solar has grown 2,100 percent statewide and declined in cost by 69 percent while fostering approximately 12,000 jobs across the State. When combined with the projects that are under development, achieving this milestone represents 95 percent of New York's goal to install six gigawatts of solar by 2025, as mandated in CLCPA.

On the first day of Climate Week in September 2021, Governor Kathy Hochul called for the expansion of the NY-Sun program to achieve an expanded goal of at least 10 gigawatts of distributed solar installed by 2030. The program expansion will bolster the State's economic recovery following COVID-19 with the creation of an additional 6,000 solar jobs, a portion of which will be ongoing operations and maintenance jobs which will remain throughout the more than 25-year project lifespans. The expanded program will also deliver at least 35 percent of the benefits from the investments to disadvantaged communities and low-to moderate- income New Yorkers. Increasing solar energy capacity statewide will rapidly accelerate progress to exceed the CLCPA goal for 70 percent of the State's electricity to come from renewable sources by 2030 on the path to a zero-emission grid.

In October, the Department announced that it would direct NYSERDA to immediately double its incentive to solar developers seeking to install community solar on affordable housing projects in New York City and Westchester County served by Con Edison.

NYSERDA will make up to $5 million available. It is expected that the added funding will enable up to an additional five megawatts of solar power in New York City and parts of Westchester served by Con Edison. To date, NYSERDA has committed $13.7 million in NY-Sun funding to 371 projects on regulated affordable housing properties in New York City. The increased incentives will continue the creation of new clean-energy jobs in New York City while it continues development for affordable housing.

It is critically important that low- to moderate-income families have access to the clean, renewable energy that they need. This interim measure will help bolster New York City's solar market until long-term funding is readily available. With this funding, we recommit to increase the amount of renewable energy available in New York City while creating more jobs in the solar industry.

The interim incentive is being made available while the Department and NYSERDA develop a distributed solar roadmap to be issued in fall 2022 to chart a path to advance an expanded NY-Sun goal in a resilient, cost effective, and responsible manner. The projects resulting from the expanded goal are expected to power nearly 1.7 million homes and will be advanced comprehensively - including serving those in disadvantaged communities.

The roadmap will ensure these projects are developed and sited in a manner that fully considers land use and are advanced in close collaboration with local stakeholders and agricultural communities. Once the plan is filed with the Commission, it will be made available for public comment and subsequent decision-making in early 2022.

Currently, installed distributed solar projects, combined with the projects that are under development, bring the State to 95 percent of the current Climate Act goal to install six gigawatts of solar by 2025. In

2020, New York was ranked first in the nation in Community Solar installations and second for total installations. There are currently over 114,000 NY-Sun supported projects and nearly 6,000 in the NY-Sun pipeline, which are complemented by 73 New York State-supported utility-scale solar projects under development throughout the State -- together, these projects will deliver enough electricity to power more than 2.2 million homes once completed.

Festival, developed by Delaware River Solar and owned by Generate Capital, jointly manages a site that includes a 6.1 MW solar array which will produce 7.8 million kilowatt hours of solar energy annually, and is fully subscribed with 129 residences, small businesses, and non-profits. The project received over $1 million from the NYSERDA through the NY-Sun initiative.

By enabling consumers to subscribe to a local community solar project, the project increases access to solar for homeowners and renters who may not have ideal conditions to directly install solar panels onsite. Through community solar arrangements, energy is still delivered by a customer's regular electric provider, and the power produced from the community solar array is fed directly back to the electric grid. As the electric grid is supplied with clean, renewable energy, subscribers receive credit on their electric bills for their portion of the community solar system.

In 2020, New York ranked first in the nation in community solar installations and second for total installations. Last year was also the State's most productive year ever for these solar installations, with 549 megawatts of capacity installed, the majority of which was supported by NY-Sun incentives. New York's policies have ensured solar reaches every county in the State; Long Island, Mid-Hudson, and the Capital Region have the most installed solar. NY-Sun initiative achieved the following:

- Installed solar on the rooftop or property of 145,000 homes spanning every county in New York.
- Provided over $1 billion in incentives, leveraging $5.3 billion in private investment.
- Drove over 2,100 percent solar growth in the State.
- Delivered enough clean, renewable energy to power over 522,000 New York homes.
- Fostered 12,000 jobs in the solar industry.
- Helped to drive down the cost of solar 69 percent in 10 years.
- Committed $30 million for projects benefiting environmental justice and disadvantaged communities.

In addition to the three gigawatts of distributed solar installed statewide, another 2.7 gigawatts of solar have been awarded NY-Sun incentives and are under development across the State. These projects are expected to come online in the next two years with enough capacity to power an additional 477,000 homes, bringing New York State even closer to achieving the six gigawatts target mandated in CLCPA. New York's statewide solar pipeline is comprised of over 90 percent community solar, or more than 800 projects which, once completed, will expand access to more New Yorkers including low-to-moderate income households.

The strong pipeline of distributed solar projects is complemented by NYSERDA's large-scale renewables program, with active contracts of over 75 utility-scale solar projects totaling nearly five additional gigawatts of solar under development, including several actively in construction throughout the State -- enough to power more than 1.2 million homes once completed. Together, these projects will result in more than $5.5 billion invested in New York and over 9,000 jobs in development, construction, and operations and maintenance.

100 MW Battery Storage Facility in NYC

In July, the Commission approved the construction and operation of a battery-based energy storage facility in Astoria (Queens), with a capacity of up to 100 MW. The $132 million facility will be built by East River ESS, LLC (East River), developed and operated on a merchant basis, and will participate in the wholesale energy markets. The facility is expected to be operational by December 31, 2022.

Energy storage is vital to building flexibility into the grid and advancing the State's ambitious clean energy goals. Projects like East River will enable us to grow the industry and create jobs while we continue on our path toward meeting the largest energy storage target in the nation. When complete, this facility will help to displace energy produced from fossil plants during peak periods, resulting in cleaner air and reduced carbon emissions.

East River has a seven-year contract under which Con Edison has dispatch rights to bid the output from the battery system into the State's wholesale markets. The batteries will be charged from the grid at times when the demand for power is low and less expensive. They will be discharged at times when the demand for power is high, decreasing the need for power from fossil fuel-fired plants. Con Edison and its customers will get the benefit of the revenues from the sales into the wholesale markets during the contract term. At the end of the contract, East River will control the operation and dispatch of the project.

Utility-scale battery storage will play a vital role in New York's clean energy future, especially in New York City where it will help to maximize the benefit of the wind power being developed offshore. The project will help displace fossil fuel-fired generation when the demand for power is highest.

The 100 MW East River Energy Storage System will hold enough electricity to power more than 16,000 average-sized homes for several hours, or enough to power the World Trade Center for about a day. East River ESS, LLC, an affiliate of 174 Power Global which specializes in renewable energy projects, will build and own the battery system off 20th Avenue near the East River on land owned by the New York Power Authority, where the Charles Poletti power plant was formerly located. The battery system will be enclosed in multiple containers totaling approximately 130,680 square feet. Nearly 70 construction-related jobs will be created during the peak of the nine-month construction period.

East River is responsible for obtaining the permits to build and operate the project by the end of 2022. The batteries will be in dozens of containers and connected to a nearby Con Edison transmission substation. The batteries will produce no emissions and little noise. As New York's grid becomes smarter and more decentralized, storage will be deployed to store and dispatch energy when and where it is most needed. Storage will also allow New York to meet its peak power needs without relying on its oldest and dirtiest peak generating plants, many of which are approaching the end of their useful lives.

Signature $6 Billion Clean Energy Fund

In September, the Commission approved changes in New York's signature Clean Energy Fund that will improve its overall performance and long-term success while further aligning it with CLPCA. The Clean Energy Fund and its four portfolios -- Market Development, Innovation & Research, NY-Sun and NY Green Bank -- are integral components to the State's ability to deliver on clean energy goals and complement ongoing utility clean-energy efforts.

The Commission's decision recognized the need to put this funding to work expeditiously through energy efficiency, distributed renewable generation, and building electrification not only in pursuit of New York's climate objectives but as a component of the economic recovery from the impacts of the global pandemic. Additionally, the Commission assigned a specific goal for the Clean Energy Fund to ensure 40 percent of the benefits of its spending are realized in Disadvantaged Communities, as called for in CLCPA, including at least 35 percent of investment of the NY Green Bank. The decision fully funds the NY-Sun program in its pursuit towards 6 gigawatts of distributed solar by 2025.

The $6 billion comprehensive Clean Energy Fund, administered by NYSERDA, provides continuity of funding for a full suite of ratepayer-funded clean energy initiatives, providing certainty to local businesses, service providers and markets of New York's commitment to clean energy initiatives. These initiatives include targeted workforce development efforts, with a focus on disadvantaged communities, and will provide meaningful career pathways to ensure the State has the workforce needed to deliver on the climate objectives laid out in the CLCPA.

To combat the harmful impact climate change will have on the State's economy and environment, New York must fully tap into clean energy's potential to reduce carbon emissions, while at the same time improving the reliability and resiliency of the electric grid and addressing energy affordability for the State's most vulnerable customers.

The Clean Energy Fund will deliver approximately 53 TBtu of energy efficiency and 6 gigawatts of installed solar capacity by 2025, with an additional 26 TBtu of energy efficiency by 2030, equal to the energy needs of nearly 1.9 million average-sized homes. In total, the Fund will reduce approximately 190 million metric tons of CO_2 over the lifetime of these projects. NYSERDA will also track and report bill savings for participants in these programs, local clean energy jobs metrics, and impacts on local air emissions resulting from these efforts.

Major Green Energy Infrastructure Projects to Power New York City

During Climate Week in September, Governor Hochul announced two major green energy infrastructure projects to power New York City with wind, solar, and hydropower projects from upstate New York and Canada.

The infrastructure projects will create approximately 10,000 family-sustaining jobs statewide and bring $8.2 billion in economic development investments -- including developer-committed investment to support disadvantaged communities -- to help accelerate the State's economic recovery from COVID-19.

These projects will help reduce the City's reliance on fossil fuels, lower carbon emissions, and significantly improve air quality and public health in disadvantaged communities while accelerating progress to exceed New York's goal for 70 percent of the State's electricity to come from renewable sources by 2030 on the path to a zero-emission grid as outlined in CLCPA, making the scale of these awards possible while creating the opportunity for billions of dollars in savings for customers in New York City and statewide.

Combined, the awarded Clean Path NY (CPNY) project, developed by Forward Power (a joint venture of Invenergy and EnergyRe) and the New York Power Authority, and Champlain Hudson Power Express (CHPE) project, developed by Transmission Developers, Inc. (backed by Blackstone), and Hydro-Québec will:

- Produce approximately 18 million MW of upstate and Canadian renewable energy per year, enough to power more than 2.5 million homes.
- Reduce greenhouse gas emissions by 77 million metric tons over the next 15 years, the equivalent of taking one million cars off the road.
- Provide $2.9 billion in public health benefits over 15 years that will result from reduced exposure to harmful pollutants -- including fewer episodes of illness and premature death, fewer days of school or work missed, less disruption of business, and lower health care costs.

The projects demonstrate the State's commitment to ensuring these projects create quality, family-sustaining jobs for New Yorkers. The awarded contracts will include prevailing wage provisions for all laborers, workers, and mechanics performing construction activities with respect to the construction of the projects. In addition, the project developers will be required to negotiate Project Labor Agreements among their construction contractors and a building and construction trade labor organization representing craft workers for the construction of the new transmission lines as well as for the construction of the new renewable energy generation resources that the developers and its affiliates build for this project in New York State.

CPNY and CHPE will invest approximately $460 million in community benefit funds to create pathways to green energy jobs, support public health, advance capital improvement projects, realize habitat restoration, and improve the environmental footprint of buildings in disadvantaged communities.

The projects were selected for contract negotiation as part of NYSERDA's Tier 4 renewable energy solicitation issued in January.

NYSERDA submitted the negotiated contracts for these awarded projects to the Commission for approval. NYSERDA payments under this award will not commence for each respective project until the project has obtained all required permits and local approvals, is constructed, and delivers power to New York City, which is expected to begin in 2025 for CHPE and 2027 for CPNY, respectively.

Advancing the State's efforts to create a more reliable and resilient electric grid, these projects will also help to create a modern transmission system capable of delivering this additional pipeline of renewable electricity to high-demand areas in downstate New York. CPNY's 174-mile transmission line will run from the Fraser Substation in Delaware County to the Rainey Substation in Queens, utilizing a buried cable using existing rights-of-way, which will mitigate potential local community impacts, avoid sensitive habitats along the Hudson River, and be more resilient than above-ground alternatives in the face of severe weather and security threats. CHPE is a permitted 339-mile buried cable, both underground and underwater, transmission line that runs from HydroQuebec's wind and hydropower resources in the Province of Quebec to the Astoria Energy Center in Queens and has adopted best management practices to avoid, minimize, and mitigate environmental damages, including impacts on sensitive species and habitats.

The State will continue to emphasize and enhance engagement with the communities where the project is being developed. NYSERDA offers resources and no-cost technical assistance to help local governments understand how to manage responsible clean energy development in their communities, including step-by-step instructions and tools to guide the implementation of clean energy, including permitting processes, property taxes, siting, zoning, and more.

The CPNY and CHPE projects will add to New York's existing robust pipeline of large-scale renewable energy, comprised of nearly 100 solar, land-based wind and offshore wind projects totaling 11,000 megawatts of clean power - enough to power over five New York million homes when completed. The State's commitment to building out new green energy transmission, led by 250 miles of new major upgrades already underway throughout the State and reinforced by this award will allow the current pipeline of renewables to power nearly 60 percent of New York's electricity from renewable energy once operational.

Agreement to Secure Future Protection of Largest Privately-Owned Shoreline in the Finger Lakes

During Climate Week in September 2021, Governor Hochul announced that upstate utility New York State Electric & Gas Corp. (NYSEG) agreed to cancel their scheduled October auction of 470 acres of undeveloped land with 3,400 feet of pristine shoreline on the east side of Cayuga Lake in Tompkins County, and advanced efforts to permanently protect the property. Known as Bell Station Landing, the property includes the largest privately owned shoreline in the Finger Lakes and had long been a priority for conservation and public access.

Dozens of local property owners, environmental groups, and elected officials had reached out to Governor Hochul's office asking her to intervene to prevent the auction and to explore avenues to protect the property. With the agreement to cancel the auction secured, Governor Hochul directed the Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP) to facilitate the permanent protection of this parcel and maximize public access.

In December, a land purchase agreement was reached between the Finger Lakes Land Trust and NYSEG for the 470-acre parcel Bell Station.

DEC and the Finger Lakes Land Trust will create a public wildlife management area on the lakeshore portion of the property. Bell Station is recognized as a priority project in New York State's Open Space Plan and designated as future public access conservation land in the Town of Lansing Comprehensive Plan. The property sale does not require further review or approval by the Commission.

Cayuga Lake is a critical resource for drinking water, tourism, and recreation in the region. Preserving Bell Station Landing will help protect critical habitat for plants and wildlife, and greatly enhance public recreation opportunities by providing direct shoreline access to the east side of Cayuga Lake, which is 90 percent privately owned. The lake supports incredible sport fisheries, including largemouth bass, chain pickerel, northern pike, crappie, yellow perch, sunfish, gar, and bowfin. Cayuga Lake is also designated as an Important Bird Area by New York Audubon and supports a large and diverse population of waterfowl and other birds, particularly during migration and winter. Increased access to unique areas like this provides important economic opportunities to local communities to capitalize on the growing popularity of outdoor recreation, while also protecting the natural buffers that protect water quality. In particular, protecting the lake from lakeshore development and erosion will protect water quality in a public drinking water supply and help reduce the threat of harmful algae blooms.

EV Make-Ready Program to Deploy More Than 50,000 New EV Charging Ports Across the State

In November, Governor Hochul announced utility companies could fully implement New York's groundbreaking electric vehicle (EV) infrastructure program known as 'EV Make-Ready, which will deploy more than 50,000 new public and commercial Level 2 charging ports across the State by 2025.

The announcement followed the Commission's approval of the accounting rules by which all the major investor-owned utilities in New York State -- Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), National Grid, Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E) -- could continue to implement the program.

The EV Make-Ready program provides funding for the infrastructure required to support more than 50,000 new public and commercial Level 2 charging ports, capable of charging a vehicle at least two times faster than a standard wall outlet, and 1,500 public direct current (DC) fast charger ports in New York in recognition of the essential role that public fast-charging ports will play in the near term to allay range anxiety. Before the program began, there were 4,571 publicly accessible chargers statewide. This program increases the number of publicly accessible chargers in New York State more than tenfold within four years.

The EV Make-Ready program is funded by investor-owned utilities in New York State and creates a cost-sharing program that incentivizes utilities and charging port developers to site EV charging infrastructure in places that will provide a maximal benefit to consumers. The Commission capped the total budget at $701 million, and it will run through 2025 with a minimum of $206 million allocated toward equitable access and benefits for lower-socio-economic and disadvantaged communities. EV charging ports in disadvantaged communities are eligible for a higher incentive, supporting up to 100 percent of the costs to make a site ready for EV charging. Rules governing the EV Make-Ready program have been in effect on a temporary basis since January 1, 2021. The decision makes those rules permanent.

Encouraging private investment in publicly accessible fast-charging ports will stimulate the EV market in New York over the coming years. While the initial focus was on funding projects located in communities served by investor-owned utilities, the Commission stated the objectives to advance the State's transportation electrification goals, expand access to clean transportation, and reduce emissions in disadvantaged communities are relevant across the entire State.

The transportation sector is responsible for the largest contribution to greenhouse gas pollution in the country, with these emissions increasing more than any other sector over the last 30 years. Encouraging accelerated development of the charging infrastructure will provide New Yorkers with more than $2.6 billion in net benefits and supports the achievement of the State's transportation electrification and clean energy goals. Electrifying transportation will allow New Yorkers to power vehicles with cleaner energy sources, with renewables representing a growing portion of the State's electricity supply. Thoughtful siting of charging infrastructure will support reduced installation costs, improve site host-acceptance, and maximize use from drivers.

The Long Island Power Authority (LIPA), with its service provider, PSEG Long Island, announced its goal to support 180,000 new EVs on Long Island with 4,745 new EV charging ports by 2025, with a proposed investment of $89 million in make-ready infrastructure over the next four years.

Customers in Long Island and other regions of New York State that fall outside of the investor-owned utility service territories can leverage the innovative prize competition design and administrative capabilities developed by NYSERDA for the "New York Clean Transportation Prizes".

CLCPA includes the requirements that all State agencies prioritize greenhouse gas emissions reductions in disadvantaged communities and that no less than 35 percent of the overall benefits of spending on clean energy programs benefit disadvantaged communities. EV Make-Ready costs include utility-owned make-ready work, customer owned make-ready work, make-ready implementation and other programs costs.

$85 Million New York Clean Transportation Prizes Program

In January, Governor Hochul announced that 17 projects are eligible to compete through the $85 million New York Clean Transportation Prizes program. Funding for these projects was announced as part of the 2022 State of the State address to advance replicable showcase projects for clean transportation. The Phase One projects selected have been awarded more than $3 million total in grants and services to advance solutions to reduce air pollution, enhance electrification, and grow mobility options in underserved communities across the State. This program, administered by NYSERDA, supports New York State's goal of an 85 percent reduction in greenhouse gas emissions by 2050, as outlined in CLCPA.

Of the 17 projects awarded under Phase One, six projects were selected in both the Clean Neighborhoods Challenge and Electric Mobility Challenge, and five were selected in the Electric Truck & Bus Challenge. Each project proposal will receive an award package of up to $200,000, including a $100,000 planning grant for further proposal development, up to $50,000 in funding for community partners, and up to $50,000 in in-kind support from technical supporters.

Funding the New York Clean Transportation Prizes was an important component of the Commission's investment in transportation electrification, ensuring that the disadvantaged communities, who bear the brunt of the climate crisis, directly benefit through the deployment of the best clean electric transportation solutions identified by communities and innovators.

Historic Wind Energy Auction off the New York-New Jersey Coast

In January, Governor Hochul, in conjunction with United States Secretary of the Interior Deb Haaland, New Jersey Governor Phil Murphy, and AFL-CIO President Liz Shuler, announced the Bureau of Ocean Energy Management (BOEM) would hold a wind auction on February 23 for an area consisting of 488,000 acres located in the New York Bight. Also announced was a plan for a coordinated offshore wind supply chain effort between New York, New Jersey, and BOEM, titled 'A Shared Vision on the Development of an Offshore Wind Supply Chain.' The announcement built on the offshore wind priorities outlined in Governor Hochul's 2022 State of the State address and represented a significant step forward in advancing the CLCPA goal to develop 9,000 megawatts of offshore wind by 2035.

The February auction allowed for offshore wind developers to bid on six lease areas -- the largest number areas ever offered in a single auction -- as described in BOEM's Final Sale Notice. Leases offered in the sale could possibly result in 5.6 to 7 gigawatts of offshore wind energy, enough to power nearly two million homes. As offshore wind technology continues to advance, these areas may have the potential to produce even more clean energy.

The leaders outlined a shared vision for developing a robust offshore wind domestic supply chain that will deliver benefits to residents of New York, New Jersey, and the surrounding region, including underserved communities. This collaboration will serve as a model for future engagement and establish the U.S. as a major player in the global offshore wind market.

The New York Bight offshore wind auction included several innovative lease stipulations designed to promote the development of a robust domestic U.S. supply chain for offshore wind and enhance engagement with Tribes, the commercial fishing industry, other ocean users, and underserved communities. The stipulations also advanced flexibility in transmission planning and made use of project labor agreements throughout the construction of offshore wind projects. Stipulations included incentives to source major components domestically -- such as blades, turbines, and foundations -- and to enter into project labor agreements to ensure projects are union-built.

The Biden-Harris administration's goal to install 30 gigawatts of offshore wind by 2030 is complemented by state offshore wind policies and actions throughout the Northeast and Mid-Atlantic. Collectively, New York and New Jersey have set the nation's largest regional offshore wind target of installing over 16 gigawatts of offshore wind by 2035.

A recent report indicated the United States' growing offshore wind industry represents an $109 billion opportunity in revenue to businesses in the supply chain over the next decade. These additions are intended to promote offshore wind development in a way that coexists with other ocean uses and protects the ocean environment, while also facilitating our nation's energy future for generations to come.

$500 Million Investment in Offshore Wind

In January, Governor Hochul announced a plan to strengthen New York's renewable energy leadership and make a $500 million investment in offshore wind as part of the 2022 State of the State address. The plan will directly invest in offshore wind manufacturing and supply chain infrastructure, create thousands of good-paying green jobs, deliver billions in economic impact, and generate enough energy to power millions of homes.

To cement New York's national leadership in offshore wind energy, the investments include:

- New York will invest up to $500 million in the ports, manufacturing, and supply chain infrastructure needed to advance its offshore wind industry, leveraging private capital to deliver more than $2 billion in economic activity while creating more than 2,000 good-paying green jobs. This investment will ensure that New York has the strongest offshore wind energy market along the Eastern Seaboard, enabling us to be the offshore wind supply chain hub for other projects up and down the coast.
- To realize an offshore wind grid able to deliver at least 6 gigawatts of offshore wind energy directly into New York City while minimizing onshore and ocean floor impacts, State agencies will conduct a New York State Cable Corridor Study to identify strategic offshore wind cable corridors and access key points of interconnection to the grid.
- Building on the success of New York's award-winning Offshore Wind Master Plan, NYSERDA will initiate a new Master Plan 2.0: Deep Water to unlock the next frontier of offshore wind development.

Construction of New York's First Offshore Wind Project

In February, Governor Hochul, alongside United States Secretary of the Interior Deb Haaland and other elected officials, celebrated the start of construction of South Fork Wind, New York's first offshore wind project, jointly developed by Ørsted and Eversource off the coast of Long Island. Building on the Bureau of Ocean Energy Management's (BOEM) January issuance of the Final Sale Notice for the New York Bight, the key offshore wind contract milestone, and the State of the State address announcement of a nation-leading $500 million investment in offshore wind ports, manufacturing, and supply chain infrastructure to accompany New York's next offshore wind solicitation, New York continues to advance the CLCPA goal to develop 9,000 megawatts of offshore wind by 2035.

- South Fork Wind will become operational in late 2023 and will be one of the first commercial-scale offshore wind projects to commence operation in North America. Selected under a 2015 LIPA request for proposals to address growing power needs on the east end of Long Island, the project will be located about 35 miles east of Montauk Point, and its 12 Siemens-Gamesa 11 MW turbines will generate approximately 130 MW of power -- enough to power over 70,000 homes. Its transmission system will deliver clean energy directly to the electric grid in the Town of East Hampton. Over a 25-year period, South Fork Wind is expected to eliminate up to six million tons of carbon emissions, or the equivalent of taking 60,000 cars off the road annually.
- South Fork Wind will be built under industry-leading project labor agreements and specific partnerships with local union organizations, ensuring local union labor's participation in all phases of construction on the project. Onshore construction activities for the

project's underground duct bank system and interconnection facility are the first to begin and will source construction labor from local union hiring halls. Ørsted and Eversource reached these provisions and protections working closely with a range of external organizations and experts, a commitment the companies carry to all stakeholder relationships to support coexistence.

- Long Island-based contractor Haugland Energy Group LLC (an affiliate of Haugland Group LLC) was selected to install the duct bank system for the project's underground onshore transmission line and lead the construction of the onshore interconnection facility located in East Hampton. The agreement will create more than 100 union jobs for Long Island skilled trades workers, including heavy equipment operators, electricians, lineworkers, and local delivery drivers who will support transportation of materials to the project site. Fabrication of the project's offshore substation is already underway.

Two Million Climate Friendly Homes by 2030

In January, Governor Hochul announced a plan for the creation of two million climate-friendly, electrified, or electrification-ready homes by 2030, as part of the 2022 State of the State address. She also announced proposed legislation to ensure that all new building construction reaches zero-emissions by 2027. This unprecedented commitment to curb building emissions, which cause more than one third of New York's climate pollution, will also ensure that more than 800,000 low-to-moderate income households can secure clean energy upgrades.

Governor Hochul's plan to achieve a minimum of one million electrified homes, and up to 1 million electrification-ready homes, by 2030 is anchored by a robust series of legislative and policy actions. The plan will:

- Require zero on-site greenhouse gas emissions for new construction no later than 2027.
- Upgrade New York's appliance efficiency standards, reducing energy use while saving New Yorkers billions of dollars in utility costs.
- Mandate energy benchmarking for large buildings, making it easier to track energy-efficiency improvements over time.
- Convene the finance, mortgage, and banking industries to help align private capital with this housing sustainability goal.
- Provide the training programs necessary to ensure that New York has a skilled workforce to deliver these services.
- Introduce legislation to level the playing field for clean energy alternatives and end the obligation to serve customers with natural gas that currently exists in State law, tailored to maintain affordability for New York's most vulnerable customers.
- NYSERDA, Homes and Community Renewal (HCR), Department of State, and the Department are to deliver an executable plan to achieve this goal, with a funding proposal and strategies to leverage private capital.
- Raise the current rate of electrification of approximately

20,000 homes per year more than tenfold by the end of the decade.

- Establish a dedicated green electrification fund and electrify low-income homes through HCR's new $25 billion, five-year housing capital plan, which will advance the State's goals of creating green affordable housing.

As part of the plan, Governor Hochul also directed the Department to ensure that gas utilities minimize investments in costly new gas infrastructure, promote alternatives to minimize gas demand, and engage members of disadvantaged communities fully and fairly in the gas transition.

Governor Hochul also put forward a nation-leading legislative proposal for new construction building codes that will:

- Incorporate the achievement of New York State's greenhouse gas reduction objectives in developing the new construction code.
- Update building code cost-effectiveness criteria to account for the full lifetime of installed equipment.
- Expand the New York State Fire Prevention and Building Code Council to include the President and CEO of NYSERDA and the Department of Environmental Conservation Commissioner.

This commitment is part of the Governor's comprehensive agenda to decarbonize buildings in New York, which also includes bringing green energy solutions to over 1,000 public schools.

New York State on Course to Meet Aggressive Energy Storage Goals

In April, the Department issued the third 'State of Storage' annual report announcing progress in reaching New York's statewide energy storage goal of 3,000 MW by 2030, with an interim objective of deploying 1,500 MW by 2025. Energy storage enhances the efficiency of the electric grid through many different applications, such as demand charge management, demand response, distribution system local reliability, firming large-scale intermittent renewables, and wholesale market installed capacity and ancillary services, and supports the most aggressive climate-change goals in the nation, which puts New York on a path to economywide carbon neutrality.

Further, Governor Hochul announced in the State of the State address plans to double the State's energy storage target to at least 6 gigawatts (GW) by 2030. The Department and NYSERDA are in the process of updating the Energy Storage Roadmap to reflect the expanded goal.

New York's energy storage deployment policy has effectively strengthened the market for developing and installing qualified energy storage systems in New York. The development and introduction of energy storage will build flexibility into the grid and advance Governor Hochul's ambitious clean energy goals.

Total deployed and awarded or contracted projects at the end of 2021 increased four percent from the previous year to 1,230 MW in capacity, or about 82 percent of the 2025 target of 1,500 MW and 41 percent of the 2030 target of 3,000 MW. The number of energy storage projects in various interconnection queues throughout the State, which reflects some of the awarded or contracted projects noted above, and potential projects in the pipeline, also indicates robust activity in the industry. As a strong indicator of potential future deployment, over 12,000 MW of energy storage projects are presently in New York utility interconnection queues and the New York Independent System Operator (NYISO) interconnection queue, an increase of 50 percent from the previous year, though it is possible not all these projects would be built by 2030 due to circumstances outside of the Commission’s control.

The resulting public benefits of deploying up to 3,000 MW of energy storage are expected to include over $3 billion in gross lifetime benefits to New York’s utility customers, approximately 30,000 new jobs, the elimination of approximately two million metric tons of greenhouse gas emissions, and the avoidance of criteria air pollutant emissions such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter. A comparatively sized increase in public benefits is anticipated as New York reaches toward the 6-gigawatt energy storage goal.

Energy storage use cases continue to include pairing with the existing pipeline of distributed solar photovoltaic (PV) being developed in the State as well as large scale bulk-level connected projects. While the supply chain issues, material cost increases, and increased competition for battery cells have led prices to increase during the 2021-2022 period, the costs for large scale storage projects are expected to decrease into the $150 to $200 per-kWh range by 2030, according to industry analyst reports. The next review of the energy storage program is scheduled to occur in 2023.

Finalized Contracts for Clean Path NY and Champlain Hudson Power Express

In April, Governor Hochul announced NYSERDA had finalized contracts with Clean Path New York LLC for its Clean Path NY (CPNY) project and H.Q. Energy Services (U.S.) Inc. (HQUS) for its Champlain Hudson Power Express (CHPE) project to deliver clean, renewable solar, wind, and hydroelectric power from upstate New York and Canada to New York City. The State's first-of-its-kind renewable energy and transmission projects are expected to deliver up to $7.4 billion in overall societal benefits statewide, inclusive of greenhouse gas reductions and air quality improvements, and $8.2 billion in economic development across the State, including investments in disadvantaged communities. As the largest transmission projects contracted for New York State in the last 50 years, these projects will reduce the City's fossil fuel use for electricity by more than 80 percent in 2030, when combined with the State's deployment of clean energy and offshore wind.

The City of New York confirmed it will join in these landmark awards, helping to make the scale of these projects possible while creating the opportunity to reduce the cost impact of these projects by approximately $1 billion. NYSERDA will also offer renewable attributes from these projects for voluntary purchase, finally enabling the many New York City organizations with interest in switching to clean energy, but who have been unable to do so on-site due to practical constraints, to go one hundred percent renewable with confidence.

In January, as directed by the Commission's October 2020 order, NYSERDA issued a renewable energy solicitation, known as Tier 4, seeking projects that could cost-effectively and responsibly deliver renewable energy to New York City, an area of the State that relies on aging fossil fuel-fired generation. As approved by the Commission, the selected projects are expected to deliver 18 million megawatt-hours of clean energy per year, or more than one third of New York City's annual electric consumption, from a diverse and resilient clean generation portfolio including onshore wind, solar, and hydroelectric power, backed by energy storage, from upstate New York and the Canadian Province of Quebec. Combining these projects with the existing contracted portfolio of offshore wind projects connecting directly into New York City turns the page on the City's energy history, increasing resiliency and reliability while significantly improving air quality.

NYSERDA payments will only commence for each respective project once the project has obtained all required permits and approvals, has completed construction, and is delivering power to New York City, which is expected to begin in 2025 for the fully permitted CHPE project, and 2027 for the CPNY project.

As a component of these landmark deals, Hydro-Quebec will purchase electricity from the planned Apuiat wind farm, developed by the Innu communities in Quebec, as well as enter into a partnership with the Mohawk Council of Kahnawà:ke for joint ownership of the line in Quebec that will connect to CHPE.

NYSERDA's successful procurement resulted in the award of projects that bring the highest and best value to New York, including the interests of disadvantaged communities, economic benefits, and workforce development. Key benefits of the projects include:

- The projects will deliver up to $4 billion in public health benefits resulting from reduced exposure to harmful pollutants, including avoided premature deaths, reduced asthma-related hospital visits, and lost workdays due to illness.
- The projects will create approximately 10,000 family-sustaining jobs statewide with $8.2 billion in economic development investments, helping accelerate the State's economic recovery from COVID-19. The project developers have also committed to prevailing wage and project labor agreements to ensure quality, good-paying jobs for New Yorkers.
- The two projects are committed to investing a combined $460 million in community benefit funds to create pathways to green energy jobs, support public health, advance capital improvement projects, realize habitat restoration, and improve the environmental footprint of buildings in disadvantaged communities.
- Combined, the projects are expected to reduce greenhouse gas emissions by 77 million metric tons over the next 15 years -- the equivalent of taking one million cars off the road over this time period.
- NYSERDA’s Tier 4 program procures both renewable energy and new transmission. It was set up with an index Renewable Energy Certificate (REC) structure to help cushion customers against spikes in energy prices so when electricity prices rise, Tier 4 program costs go down. With an expected average Tier 4 REC cost of $28.29 per megawatt hour for both projects, once the projects enter operation, the average bill impact for customers will be approximately two percent, or just over $2 per month. Analysis from project sponsors may be published and submitted as part of the Commission proceeding to articulate the extent of potential additional benefits.

In addition, these new underground transmission lines will avoid, minimize, and mitigate environmental damages including impacts on sensitive species and habitats, and be resilient in the face of extreme weather. Both projects are required to go through the Commission's Article VII permitting process, which includes a full review of the need for the project and any environmental impacts of the siting, design, construction, and operation of major transmission facilities in New York State. CHPE has received its Article VII permit, and it is expected that CPNY will file for its permit.

The CPNY and CHPE projects will add to New York's existing robust pipeline of large-scale renewable energy, comprised of nearly 100 solar, land-based wind, and offshore wind projects totaling 11,000 megawatts of clean power - enough to power over five million New York homes when completed. The State's commitment to building out new green energy transmission, led by 250 miles of new major upgrades already underway throughout the State and reinforced by this award, will allow the current pipeline of renewables to power more than 60 percent of New York's electricity from renewable energy once operational.

MAJOR RATE CASE DECISIONS

Corning Rate Hike Request

In May, the Commission approved a one-year rate plan with Corning Natural Gas Corporation (Corning) which decreased revenues to 92 percent lower than the $6.26 million Corning originally requested. In addition to the change in rates, a mechanism that returned deferred taxes to customers was discontinued, and a change to a surcharge was made. The cumulative impacts of these changes resulted in an increase to revenues of $505,000 over the rate year.

With the Commission's decision, the average total bill impact on residential heating customers is $2.39 a month, an increase of approximately 2.43 percent, as compared to the $28.76 a month, or 24 percent, initially proposed by Corning. To reduce the impact on low-income residential heating customers, the Commission increased the low-income bill discount whereby low-income residential heating customers will see an average monthly bill decrease of approximately 6.14 percent.

While its focus was primarily on reducing the financial impact on customers, the Commission also ensured Corning would continue its leak-prone pipe replacement program at its current level, increase its efforts to reduce its leak backlog, minimize excavation damage to its facilities, maintain its current targets for fast response times in emergencies, fully comply with pipeline safety regulations, increase its work to repair minor leaks in a flood-prone area, improve its coordination with, and training of, other emergency responders, and establish a pilot program for residential methane detectors.

The Commission also approved Corning's customer service metrics and programs to minimize complaints, achieve good results on customer satisfaction surveys, and minimize missed appointments.

The Commission adopted Department staff's general recommendations, to which Corning agreed, as to the names and applicability of the various metrics, the requirement that Corning's annual performance review be conducted on a calendar-year basis, and to apply negative revenue adjustments for each metric measured in terms of pre-tax basis points rather than specific dollar amounts. It also directed Corning to improve its outreach and education plan, approved a proposal by Department staff to eliminate fees for credit and debit card payments, and approved a proposal by staff to file a plan for electronic Deferred Payment Agreements.

Due to the COVID-19 pandemic, all citizens in this State have been forced to make hard sacrifices and to bear up under extraordinary and unforeseen circumstances, so the initial rates proposed by Corning were simply too high to accept. The Commission could not ignore the pandemic-related economic hardships caused by COVID-19. When setting rates, the Commission must make adjustments that account, to some degree, for the economic fallout from the pandemic. Failing to do so would, in effect, impose additional hardships on customers at a time of unusual and unexpected need.

On February 27, 2020, Corning proposed a three-year rate plan encompassing rate increases of $845,142 and $680,913 in the second and third years, respectively. Corning asserted that the three years of stand-alone rate increases would impact customers' total bills by 23.4 percent, 2.6 percent, and 2 percent, respectively. Corning proposed that these increases be levelized over three years, which would result in an increase of $3.5 million in each year, with a total bill impact of nearly 11 percent in each year. The Commission's decision, however, substantially reduced the customer bill impacts of Corning's proposal.

Corning is a local gas distribution company with 425 miles of mains that sell or transport natural gas to approximately 15,000 customers. Gas deliveries are made across 23 towns and villages, over 400 square miles, throughout the Southern Tier and central regions of New York State.

National Grid Rate Hike Request

The Commission approved a three-year rate plan for National Grid's downstate gas companies -- the Brooklyn Union Gas Company (KEDNY) and KeySpan Gas East Corp. (KEDLI) -- that is dramatically lower than the company's original request.

The Commission adopted and modified a joint proposal signed by the companies, Department staff, environmental groups, and business groups that contains provisions that promote energy efficiency, demand response, geothermal deployment, and electrification options to meet customers' energy needs while working to lower natural gas demand and further minimize the need for additional gas infrastructure.

During the extended course of the proceedings, two major events impacted the development of the joint proposal: the enactment into law of CLCPA and the COVID-19 pandemic. CLCPA sets forth New York's nation-leading policy goals in the fight against global climate change caused by greenhouse gas emissions from extraction and combustion of fossil fuels and other activities. The approved joint proposal furthers the objectives of CLCPA and responds to the economic conditions created by the COVID-19 pandemic, while ensuring the companies continue to provide safe and reliable service at just and reasonable rates. With its decision, the Commission ruled that CLCPA requirements apply to this rate case and all future rate cases.

Based on CLCPA requirements, the Commission directed the utility to discontinue natural gas marketing efforts and promotional programs, and provide educational information to customers about alternative heating options and the emission reduction requirements of CLCPA. The goal is to have the utility sell less gas in the future, a clear-cut indication of what will happen at other gas utilities in New York State as CLCPA requirements take effect.

The Commission's decision also required the companies to prioritize leak prone pipe removal based upon methane flow rate data, develop an enhanced methane detection program, discontinue natural gas marketing efforts and promotional programs, and provide educational information to customers about alternative heating options and the emission reduction requirements of CLCPA.

Through approval of the joint proposal, the Commission required the companies to prioritize energy efficiency and demand response as part of an effort to avoid construction of capital projects that may increase greenhouse gas emissions, with the overall goal of reducing demand for natural gas.

The joint proposal also required the companies to conduct a study evaluating how their businesses may further evolve to support CLCPA's emission reduction and renewable energy goals and required certain proposed long-term capital projects that would be paid through a surcharge mechanism to be evaluated by an independent consultant against specific criteria, including verification of the need for the project and its greenhouse gas emissions potential. The independent consultant findings and recommendations require review and approval by the Commission after submittal.

Importantly, the adopted joint proposal does not include funding for the last phase of the controversial Metropolitan Reliability Infrastructure (MRI) project, a seven-mile natural gas distribution pipeline in North Brooklyn. The joint proposal adopted by the Commission discontinues construction of the last phase and requires the companies to first meet metrics on demand-reducing initiatives before seeking cost recovery of this and other infrastructure projects, subject to the aforementioned independent consultant review to verify the need and evaluate emissions impacts.

The joint proposal manages the companies' revenue requirements, in conjunction with the elimination of the tax reform credit and energy efficiency surcharge, as well the use of credits due back to customers, such that customers will experience no delivery rate increases in the first year. Thereafter, the companies' revenue increases were reduced to only 2 percent for KEDNY and 1.8 percent for KEDLI during the second and third years, respectively. For an average residential customer, those increases would result in total monthly bill increases of approximately $5.56, or 3.8 percent, in second year and $4.89, or 3.3 percent, in the third year for KEDNY customers and $5.35, or 3.7 percent, in second year and $5.45, or 3.7 percent, in third year for KEDLI customers. The rate plan began April 1, 2020, and runs through March 2023.

In its initial request on April 30, 2019, KEDNY proposed to increase natural gas delivery rates and charges by approximately $236.8 million for KEDNY, representing a 19.3 percent increase in delivery revenues and a 13.6 percent increase in total revenues. KEDLI proposed an increase to its annual gas delivery revenues by approximately $49.4 million, representing a 6 percent increase in delivery revenues or 4.1 percent increase in total revenues in the first year. The Commission's decision represented a sharp decrease from the rate increases initially sought.

Despite factors that unavoidably create upward pressure on customer bills, including projected lower sales forecasts, inflation, depreciation expenses, increased property taxes, and funding for necessary capital projects, the joint proposal reflects revenue requirements over each of its three rate years that are more favorable to ratepayers than could have been achieved through a litigated proceeding.

The joint proposal allows the companies to proceed with necessary capital expenditures, meet legal obligations such as site investigation and remediation costs and property taxes, and promote the Commission's energy policy goals. The joint proposal was signed by KEDNY, KEDLI, the Department staff, the Environmental Defense Fund, Estates NY Real Estate Services, LLC, NY-Geo, and the Long Island Power Authority (LIPA).

The Commission also established a process to facilitate any refunds that may result from its investigation into a bribery and kickback scheme amongst some former employees who allegedly, according to an ongoing federal criminal investigation, steered contracts to certain Long Island-based contractors with whom the company did business.

KEDNY provides natural gas to approximately 1.2 million customers in its service territory covering Brooklyn, Queens, and Staten Island. KEDLI provides natural gas to approximately 590,000 customers in a service territory that covers Nassau and Suffolk counties on Long Island and the Rockaways.

Central Hudson Rate Hike Request

In November, the Commission approved a three-year rate plan for Central Hudson Gas & Electric Corp. (Central Hudson) customers, dramatically lower than the company's initial request.

The Commission adopted a joint proposal signed by Central Hudson, Department staff, environmental and business groups, that contains provisions to promote energy efficiency, demand response, geothermal deployment, and electrification options to meet customers' energy needs while working to lower natural gas demand and further minimize the need for additional gas infrastructure.

The three-year rate plan for Central Hudson's electric and gas businesses began July 1, 2021, and will continue until June 30, 2024. With the Commission's decision, electric delivery revenues will decrease $1.1 million in the first year and increase $8 million and $8.7 million in the second and third years, respectively. The gas delivery revenue increases will be $3.9 million in the first year, $3.9 million in the second year, and $4 million in the third year.

For a typical residential electric service customer, the revenue changes would yield a $0.33 decrease in the average monthly bill during the first year, a $1.72 increase in the second year, and a $1.82 increase in the third year. The average monthly bill of the typical gas service customer would increase by $1.64 in the first year, $2.17 in the second year, and $1.50 in the third year.

The order adopts terms of a joint proposal executed by Central Hudson; trial staff of the Department; Multiple Intervenors; the Public Utility Law Project of New York, Inc.; the New York Geothermal Energy Organization; the Utility Intervention Unit of the New York State Department of State; Alliance for a Green Economy; Dutchess County; the New York Power Authority; and several private energy companies.

The joint proposal provides sufficient funding for the companies to maintain safe and reliable service while moderating rate impacts during the term of the rate plan and mitigating the impacts to ratepayers suffering the financial consequences of the pandemic. The joint proposal is also consistent with our nation-leading clean energy initiatives, as well as our social and economic policies. This agreement is in the public interest, and it comports with New York's clean-energy goals.

Central Hudson initially proposed delivery rates that were designed to produce an annual electric delivery revenue increase of approximately $32.8 million, and an annual gas delivery revenue increase of $14.4 million, resulting in base delivery revenue increases of 8.4 percent and 12.1 percent, respectively, or total bill increases for an average residential customer of 6.2 percent and 8 percent, respectively.

Central Hudson distributes electricity to more than 300,000 customers and natural gas to about 84,000 customers in the Mid-Hudson River Valley Region of New York. The company's most recent rate plan was adopted in a rate order issued in June 2018, when the Commission approved a three-year electric and gas rate plan.

Other components of the decision include the following:

- Central Hudson will provide $31 million in bill discounts to income eligible customers over the next three years. If current overcollection balances are exhausted during the term of the rate plan due to higher than anticipated enrollment levels, the company will defer any incremental funding.

- The decision strengthens the company's economic development programs to promote manufacturing growth in the Hudson Valley through grants that are designed to expand existing businesses, revitalize underutilized existing structures to accommodate manufacturing, increase productivity, and create higher-paying jobs in the service territory, while the company's 'Back to Business Program' will provide financial assistance to small businesses impacted by the pandemic, enabling them to either re-open or continue operations.
- To mitigate electric bill impacts, Central Hudson will reduce the impact of incremental energy efficiency and heat pump expenses by deferring certain costs related to these programs. The company will also increase electric and gas energy efficiency; increase electric system efficiency through peak reduction and distributed energy resource utilization; reduce residential and commercial customers' electric energy intensity (total usage on a per customer basis); and reduce greenhouse gas emissions by facilitating the broader use of electric vehicles. Central Hudson will conduct a Geothermal District Loop Feasibility Study to identify areas in the Company's service territory where the potential for geothermal district loop pilot projects might exist.
- In furtherance of emissions reduction targets and clean energy priorities set forth in CLCPA, Central Hudson has made a number of environmental sustainability commitments, including: inventorying its direct and indirect emissions; developing a plan to reduce its gas emissions relative to 2019 activity; targeting cumulative savings during the four-year period between 2021 and 2025 that equate to approximately 2.5 percent from 2019 gas sales; targeting cumulative savings during the same four-year period that equate to approximately 6.9 percent of 2019 electric sales; targeting a 2 percent reduction in electric sales volumes by 2025; and it will promote energy efficiency by phasing-in the elimination of the natural gas declining block rates. Central Hudson will also cease offering incentives for conversion from oil to natural gas and will modify its website so that it does not promote the use of natural gas.

The Commission's decision reflects compromises made by diverse and ordinarily adversarial parties with strong incentives to craft resolutions that addressed their various interests. The new rate plan reflects an appropriate balancing of ratepayer and shareholder interests, while making meaningful progress toward the achievements of State climate goals and low-income affordability.

Improving Utility Performance and Reliability

Audit of National Grid's Statewide Operations

In May, the Commission adopted an implementation plan and approved recommendations in the completed management and operations audit of three National Grid USA subsidiaries: Niagara Mohawk Power Corporation, Brooklyn Union Gas Company (KEDNY), and KeySpan Gas East Corporation (KEDLI). Further, the Commission mandated that National Grid USA's subsidiaries comply with the provisions of that implementation plan. The audit focused on construction program planning and operational efficiency.

The Commission's management and operations audit program includes regular comprehensive management and operations audits, focused operations audits, and statewide utility comparisons. The law provides the Commission with the authority to conduct management and operations audits of natural gas and electric utilities. For large electric and natural gas utilities, the law requires such audits at least once every five years.

The audit is the second cycle management and operations audit of National Grid USA's Commission-regulated subsidiaries. National Grid USA has three operating utilities in New York State:

- Niagara Mohawk - provides both electric and gas service across a wide portion of upstate New York.
- KEDNY - provides gas service in portions of New York City.
- KEDLI - provides gas service on Long Island and a small area of New York City.

The Commission's oversight of National Grid's implementation of audit recommendations commenced with its acceptance and public release of the final audit report on November 19, 2020. National Grid submitted an implementation plan to fulfill these recommendations on December 21, 2020. The Commission approved the companies' implementation plan in response to the final report, which has been reviewed by Department staff subject matter experts to ensure all of the plan's guidelines and deliverables satisfy the report's recommendations and findings. National Grid is expected to make the necessary changes that will improve performance and to demonstrate executive-level commitment to this process. Recommendations being implemented include the following:

- The audit found that the National Grid USA's board of directors should exercise greater authority and oversight and make improvements to monitor governance compliance matters. National Grid will establish an external strategic advisory board for the New York companies comprised of independent, outside senior leaders with expertise in the areas of clean energy, business development, customer service and government policy to advise on strategic policy decisions.
- The audit recommended National Grid evaluate the management oversight and performance management of information systems functions. National Grid will put in place a dedicated New York Chief Information Officer to oversee information systems investments for the New York companies.
- The audit found that National Grid's upstate utility should incorporate the

non-wires alternatives (NWA) project development and solicitation process earlier in its capital planning process, and better integrate the consideration of these projects into its processes. National Grid has responded by instituting changes to consider NWA opportunities earlier in parallel with traditional projects and at all stages of the overall capital delivery process.

In the area of performance management, National Grid will identify metrics related to grid modernization and environmental goals and include those in performance and incentive compensation programs for relevant employees.

Plan to Improve Frontier's Customer Service

In May, the Commission approved a $12.5 million plan for Frontier Communications Corporation (Frontier) and its New York operating subsidiaries that will help improve customer service. The plan includes spending for capital expenditures such as central office battery replacements, new fiber-to-the-premises construction, remote terminal battery replacements, and other outside plant improvements. With the expected action plan investments included, Frontier plans to spend a minimum of $83 million in capital investments in New York State through 2023.

Frontier and its subsidiaries serve approximately 196,000 access lines throughout New York State, providing telephone, cable television, and internet services. In October 2020, Frontier's bankruptcy restructuring was approved by the Commission with conditions that committed Frontier to spend $9 million in incremental capital expenditures on a service quality improvement program with defined targets and incentives and required an action plan be submitted for approval by the Commission.

The approved action plan included $12.5 million in expected capital expenditures which address specific measures and projects to be completed by Frontier in the 24 central offices identified as needing improvement, and how these projects will enhance service quality and network reliability.

The central offices are located in Ausable Forks, Blue Mountain Lake, Canandaigua, Chester, East Rochester/Pittsford, Fort Plain, Georgetown, Gloversville, Goshen, Highland Mills, Keeseville, Lake Luzerne, Maybrook, Middletown, Monroe, Montgomery, Naples, Norwich, Paul Smiths, Port Jervis, Saint Johnsville, Unadilla, Walton, and Wells. The objectives of the plan are to implement a focused program of capital investment and proactive maintenance aimed at reducing the number of problems experienced by customers, and improve service quality performance in the 24 central offices. Frontier believes the commitments will provide much needed improvement in the quality of service delivered to the customers mentioned in these areas, but are not expected to negatively impact the remaining areas in the company's service territory.

Frontier will use various methods, including operations personnel input and feedback, leveraging of enhanced preventative maintenance tracking programs, and analysis of trouble ticket data to prioritize projects included in the action plan.

Frontier's action plan includes the following four project category descriptions and intended capital expenditures:

- Frontier plans to provide fiber-to-the-premise network to approximately 8,000 locations as part of the improvement plan, at a cost of approximately $6.4 million by 2023. This expansion is in addition to approximately 30,000 locations being funded by the State's Broadband Program (ConnectALL) through mid-2021, and funding for 12,000 New York locations recently awarded to Frontier in the Federal Communications Commission's Rural Digital Opportunity Fund auction. The company believes the fiber deployment will allow it to offer broadband services capable of download speeds as fast as 1 Gbps and move current services off its legacy copper network to improve telephone service quality.

- As recent events like TS Isaias have shown, preparedness is central to maintaining communication and access to emergency services during and after storm events and resulting commercial power outages. As part of the action plan, Frontier will replace batteries at various central offices to provide improved network resiliency and reliability during periods of commercial power loss. Frontier stated it plans to spend approximately $1.36 million during 2021-2023 in these central offices to replace backup batteries. The planned breakdown by year is $885,000 in 2021, $315,000 in 2022, and $165,000 in 2023.
- Frontier identified over 190 projects to be completed at remote terminals within the areas served by the 24 central offices. These projects encompass upgrading remote switching equipment, installing backup power (new batteries and/or generators), copper to fiber migrations, and other fiber span projects. It is the company's intention that these projects will reduce trouble tickets in the central offices and improve service quality. The company claimed these projects have an approximate cost of $3.3 million over the three-year period.
- Frontier will use the history of troubles, and the newly implemented ability to track troubles by lead cable, in each of the central offices to look at the most vulnerable sections of the outside plant and take steps to rectify these proactively. In addition, Frontier plans to provide additional training to field technicians, construction employees, and contractors to look for and report outside plants in need of repair or replacement. Currently, Frontier has identified approximately $1.37 million in cable repair projects.

In approving the action plan, the Commission also specified the content to be included in required quarterly reporting on the status and completion of all projects.

Commission Commences Con Edison and O&R Audit

In May, the Commission initiated a management and operations audit of Consolidated Edison Company of New York, Inc. (Con Edison) and Orange and Rockland Utilities, Inc. (O&R). The audit focuses on areas providing the highest value, while remaining consistent with the statutory directive to review the utilities' construction program planning and operational efficiency.

Other areas to be examined include information systems planning and implementation; improvements to electric load forecasting processes to support clean-energy goals; contractor oversight; and coordination with municipalities.

The Commission last completed a comprehensive management audit of Con

Edison and O&R in 2016. The companies also participated in two statewide operations audits along with other large investor-owned utilities in New York. The companies have largely completed the implementation of all recommendations from these three audits.

The law provides the Commission the authority to conduct management and operations audits of natural gas and electric utilities. For large electric and natural gas utilities, the law requires such audits at least once every five years. Con Edison also provides steam service to customers in New York City; and while this audit will only review the electric and natural gas operations, Con Edison may be able to apply relevant findings and recommendations to its steam business as well.

The Commission will hire an independent auditor to conduct the audit. The management audit approach in New York includes a prospective investigation of the construction program planning process and an evaluation of operational efficiency with a focus on opportunities to improve performance. The Commission expects the selected consulting firm to analyze current and historical information for the purpose of gaining an understanding of the companies, with the ultimate goal of improving existing processes, practices, systems, and organizational structures to drive better performance.

The audit will focus on the electric and gas utility services in New York State. Con Edison's electric service territory includes all of New York City, with the exception of a section of Queens, and the majority of Westchester County. Electric service is provided to approximately 3.5 million customers in a 660-square mile service area. The company's gas service territory consists of Manhattan, Bronx, parts of Queens, and most of Westchester County; and supplies approximately 1.1 million customers in those areas. O&R's electric service territory is located in southeastern New York. O&R's gas service is concentrated in southeastern New York and supplies approximately 100,000 customers

State's Major Public Utilities' Performance Reports Reviewed

In June, the Commission reviewed the State's major utilities in terms of their performance in a number of key areas in 2020, including electric reliability service, gas safety, electric safety, and customer service.

As part of the review, the Commission reduced the revenue of two of the State's largest utilities -- Consolidated Edison Company of New York, Inc. (Con Edison) and New York State Electric & Gas Corporation (NYSEG) -- for failing to meet reliability targets.

Electric Reliability

Also in June, Department staff presented its annual review of the electric service reliability performance of New York State electric utilities for 2020.

The Commission relies on two primary metrics to measure performance: the System Average Interruption Frequency Index (SAIFI or frequency) and the Customer Average Interruption Duration Index (CAIDI or duration).

While most utilities are doing a good job providing safe and reliable service, four utilities have fallen short of the Commission's expectations in certain areas, and we will continue to act aggressively to ensure utilities improve performance. Further, as a result of this analysis, utilities must be ready to address more frequent and powerful storms.

By compiling interruption data provided by the individual utilities, the average frequency and duration of interruptions can be reviewed to assess the overall reliability of electric service statewide. Recent data for the prior year is also compared with historic performances to identify positive or negative trends.

Excluding major storms, the statewide interruption frequency for 2020 improved slightly compared to the previous year and the statewide five-year average. The statewide interruption duration, excluding major storms, was better than last year's index of 2.05 hours, resulting in restoration occurring, on average, approximately three and a half minutes faster. Including major storms, 2020 had the worst performance for frequency, duration, and customer hours of interruption over the past five years.

The most significant event influencing reliability performance, including major storms, was TS Isaias, which occurred began on August 4, 2020. Nearly 1.5 million customers experienced power outages during this event. Con Edison's and PSEG-LI's service territories were the hardest hit with over one million customers interrupted. By August 9, approximately 90 percent of customers that had lost power were restored, with full restoration occurring on August 14.

Under Commission rules, companies are subjected to negative revenue adjustments for failing to meet their reliability targets. As a result, Con Edison incurred a negative revenue adjustment of $5 million due to exceeding its network frequency target, which excludes major storms. NYSEG incurred a negative revenue adjustment of $7 million also due to exceeding its frequency target excluding major storm. Negative revenue adjustments are paid by shareholders and not by rate payers. All other electric utilities met their reliability targets in 2020. Utility performance before, during and after TS Isaias is the focus of several separate, ongoing proceedings, including Department Case 20-E-0586.

Electric Safety

The Commission established electric safety standards to safeguard the public from exposure to stray voltage and to identify and eliminate potentially harmful conditions before serious safety hazards and/or reliability deficiencies develop.

The standards include stray voltage testing of streetlights and electric facilities that are accessible to the public. In 2020, manual stray voltage testing was performed on approximately one million utility facilities statewide, resulting in the identification of 291 stray voltage conditions.

The overall total of stray voltage findings decreased by 42 percent from the 2019 level. In 2020, there were 110 calls from customers reporting shock incidents that resulted in 91 confirmed cases of stray voltage; 33 incidents were caused by problems with utility owned facilities, and 58 incidents were traced to defective customer-owned equipment or wiring.

All stray voltage findings identified through testing or from customer calls were made safe. Since all of the test and inspection requirements were met, no revenue adjustments were imposed.

Gas Safety

Department staff evaluated critical areas of gas safety, including damage prevention, emergency response times, leak management, and non-compliances identified through staff's audit process. Overall, the data indicates that performance has substantially improved for gas companies across the State over the 18-year period these metrics have been in place. More notably, utility performance either improved or remained consistent throughout the COVID-19 pandemic. It is important to note that the utilities maintained focus on these performance measures which ensured the same, if not a greater, level of public safety.

Damage prevention, mismark, and no-call damages saw improved performance, and the utilities and their contractor damages remained consistent in 2020. All utilities met the emergency response time targets with the total year-end leak backlog, improving roughly 14.1 percent from the previous calendar year. Both the total number of leaks discovered, and leaks repaired declined substantially. During 2019, staff identified non-compliances in all 11 of the major utilities' operating service territories, although improvements have been realized in each of the previous five calendar years. As utilities continue their outreach efforts, adopt better practices in responding to leak, odor, and emergency reports, and work to replace leak-prone infrastructure, Department staff expects further performance improvements will occur.

Customer Service

Most of the State's utilities met or exceeded the standards for performance on the measures of customer service established within their respective rate case proceedings, with the exceptions of NYSEG and Rochester Gas and Electric Corporation (RG&E).

NYSEG and RG&E failed to meet their respective estimated meter reads targets. As a result, negative revenue adjustments were applicable to NYSEG and RG&E totaling $1.4 million and $1.8 million, respectively. Due to the impacts of COVID-19, NYSEG and RG&E filed a petition to waive the meter reading requirements, which is pending before the Commission.

Other than NYSEG and RG&E, the major utilities met or exceeded their established annual customer service performance standards. Although certain utilities exceeded their targets on minimizing terminations and uncollectibles, which were eligible for positive revenue adjustments (PRAs), the results were driven by the moratorium on disconnects, and as such, all the utilities' PRAs have either already been forfeited or are under review to be waived.

Downstate Utilities Natural Gas Demand-Response Programs

In October, the Commission approved changes to the gas demand-response programs for residential and commercial customers for National Grid's two downstate natural gas utilities. The changes provide additional options for customers to participate in both the commercial-focused performance-based programs as well as the residential-focused 'Bring Your Own Thermostat' (BYOT) program designed to reduce gas consumption during cold weather and peak gas usage events during the winter-heating season.

In August, the Commission had ruled that New York's CLCPA requirements must be factored into utility rate cases. The modifications to the programs proposed by the Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY) and KeySpan Gas East Corp. d/b/a National Grid (KEDLI) make the programs more closely aligned to similar performance-based demand response programs such as those run by some electric utilities and are consistent with CLCPA.

Natural gas demand-response programs provide an opportunity for consumers to play a significant role in the operation of the natural gas grid by reducing or shifting their usage during peak periods in response to time-based rates or other forms of financial incentives.

Demand-response programs are used as resource options for balancing supply and demand. As established in National Grid's supplement to its long-term plan for the downstate service territories, demand-response programs, and customer participation in them, helps to ensure that National Grid successfully meets customer needs.

The modifications to National Grid's gas-demand programs include revising incentive payment rates for the program, allowing all applicable customers on Long Island to participate in the BYOT program, and allowing customers with Nest thermostats, among the most popular smart thermostat models on the market, to participate in the BYOT program. These changes will open participation in the winter gas BYOT program for the more than 27,000 PSEG-LI electric customers already participating in the summer electric BYOT programs, and customers in both New York City and Long Island using the Nest thermostat.

Assisting Communities

Disconnection Moratorium Extended

In May, passed legislation extended a moratorium preventing utility companies from disconnecting utilities to residential households and small businesses struggling with their bills due to the COVID-19 pandemic.

The moratorium was extended for a period of 180 days after the COVID-19 state of emergency is lifted, or 180 days after December 31, 2021, whichever is earlier. Utility companies must offer customers a deferred payment agreement on any past-due balance, without fees or penalties.

The legislation was expanded to include cable and broadband internet service providers, and additionally made the moratorium protections available to small businesses, in keeping with priorities laid out by Governor Andrew Cuomo in his 2021 State of the State address.

Expansion of Low-Income Energy Affordability Programs

In August, the Commission approved substantial improvements to the low-income energy bill discount programs administered by the major electric and gas utilities.

The decision dramatically increased the Energy Affordability Program (EAP) annual budget by $129 million to $366.7 million. The increase allowed 95,000 more low-income customers to receive benefits, a 10 percent increase from the previous year.

The Commission increased the low-income bill discounts (bill discount amounts vary, depending on the utility), and directed the utilities to develop a standard self-identification process to make the bill discount programs available to low-income customers to address gaps in data sharing and file matching between utilities and the State Office of Temporary and Disability Assistance (OTDA). The EAP program's expansion better aligned bill discount formulas with income criteria and Home Energy Assistance Program (HEAP) benefits that resulted in more targeted bill discounts, and encouraged the utilities to target participation in energy efficiency programs to low-income customers with the highest energy usage.

The increase in funds was strongly supported by a number of organizations and community groups, including the American Association of Retired Persons, Citizens for Local Power, City of New York, Energy Efficiency for All New York, the Joint Utilities, Public Utility Law Project of New York, Inc., and the Utility Intervention Unit of the New York State Department Division of Consumer Protection.

On May 20, 2016, the Commission issued an order adopting an EAP which set a target energy burden at or below six percent of household income for all low-income households in New York State. To advance this goal, low-income bill discount programs were established for each of the major electric and gas utilities. Key directives set out by the EAP include the standardization of utility energy affordability programs statewide to reflect best practices, streamlining rate cases, and greater consistency between the programs and the Commission's statutory and policy objectives.

To reach the target of no more than a six percent energy burden for low-income New Yorkers, it was 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. As part of the Commission's decision, Department staff will work closely with other entities, including OTDA and the utilities, to ensure low-income customers receive the assistance they need.

Heating Utility Assistance for Consumers

In September, funding was made available to help low-income households that had fallen behind on utility bills during the COVID-19 pandemic. Administered by the New York State Office of Temporary and Disability Assistance (OTDA), the regular arrears supplement is available for households who are eligible for HEAP and behind on their heating utility bills but do not qualify for the utility assistance offered by New York's Emergency Rental Assistance Program.

There is $150 million available for one-time payments to HEAP-eligible households through the regular arrears supplement until September 2022, or until funding is exhausted. Secured through the American Rescue Plan Act of 2021. The federal funding became effective at the end of the moratorium on utility disconnections in late December, and covers all accumulated heating utility arrears up to $10,000.

About 83,000 HEAP recipients had fallen behind on their utility bills as of March 2021, with these households owing an average arrears of about $1,370, or roughly $113 million statewide. While the Emergency Rental Assistance Program provides utility arrears assistance for eligible renters, homeowners, and those who do not owe rent arrears do not qualify for this assistance, including customers of municipally owned utilities.

Applicants meet eligibility requirements to receive a regular HEAP benefit, which varies by income and household size, and be in active collections or otherwise facing disconnection or termination of service. Applicants must also be the utility customer of record or pay a utility directly.

Utilities Prepared to Meet Winter Demand for Electricity and Natural Gas

In October, the Commission announced it expected the State's utilities would have adequate supplies of natural gas and electricity on hand to meet the demands of residential and commercial customers in New York State.

Customer Outreach

The Department has a proactive program in place to ensure that utility customers receive the information and assistance they need.

The outreach and education efforts include publications in multiple languages about billing and payment options, financial assistance programs, and winter preparedness measures to help with winter bills, and the steps to take if customers are faced with heating-related energy emergencies.

Throughout the winter season, Department staff monitors issues with the potential to affect the utilities' operations and their customers, such as weather and heating degree day data; alternate fuel and storage inventory management; and interstate pipeline operational issues.

Electric and Natural Gas Price Forecast

Winter's electricity prices statewide in October were projected to be higher than the previous winter, although commodity prices can vary significantly due to weather and other conditions. While natural gas bill impacts will vary by utility, bills in general are also projected to be higher than last year; nationwide, commodity price forecasts are higher compared to last winter.

On average, a residential customer using 600 kWh per month is expected to pay about $43 per month for supply, but the actual amount varies by utility. The average residential customer using 740 therms of natural gas can expect to pay about $935 from November through March, up from last winter which was milder than normal (this amount will vary by utility and weather).

A colder-than-normal winter will cause usage and bills to increase. The State's investor-owned utilities have continued to reduce the volatility of electric and gas supply prices to their full-service residential customers. Between financial hedges and gas held in storage, gas utilities have hedged approximately 53 percent of their estimated statewide customer needs.

Winter Heating Preparedness

Department staff tracks weather impacts; pipeline and storage assets; and interruptible customer compliance; and also works with local distribution companies (LDCs) and communities to find innovative solutions that increase environmental benefits, while meeting customer expectations for economic solutions. This work includes the aggressive pursuit of efficiency measures, demand response and other solutions to meet growing space and water heating needs.

The LDCs serving New York State are finalizing contracting for adequate natural gas supply, delivery capacity, and storage inventory to satisfy current customer demands under typical winter conditions, including additional new contracts that might be needed.

The Department will also continue to closely monitor areas of the State where demand is growing at a faster pace, and where existing distribution systems are becoming constrained. The ongoing gas planning proceeding includes staff recommendations that have taken into consideration the many public comments received, to modernize the long-term planning process used by the gas utilities. The planning process will include consideration of balancing supply and demand in constrained areas.

Department staff continues to coordinate with oil industry representatives and NYSERDA to ensure that customers have access to adequate supplies of winter heating fuels. In keeping with the Commission's reliability requirements, natural gas companies are auditing systems, processes, and procedures, as well as scheduling tests to ensure interruptible customers comply with the Commission's alternate fuel requirements.

Electric System Preparedness

As part of the winter assessment, the major electric generating facility owners in Southeast New York, who own about 12,000 MW of dual fuel generation capability, were contacted.

Staff found that these owners are continuing to implement lessons learned from the Polar Vortex winter of 2013-2014, including having increased pre-winter on-site fuel reserves, having firm contracts with fuel oil suppliers, conducting more aggressive replenishment plans, and having more proactive pre-winter maintenance and facilities preparations.

We will continue to closely monitor the utilities serving New York State to make sure they have adequate sources and supplies of electricity and natural gas to meet expected customer demands this winter.

Home Heating Assistance

In September, Governor Hochul announced the availability of more than $373 million in home heating aid for low- and middle-income New Yorkers who needed assistance keeping their homes warm during the winter season.

The application process for HEAP started in early October 2021, which is overseen by OTDA and provides federal funding to assist homeowners and renters with their heating costs during the weather. Eligible homeowners and renters can receive up to $751 in heating assistance, depending on their income, household size, and how they heat their home. A family of four with a maximum gross monthly income of $5,249, or an annual gross income of $62,983, would qualify for benefits -- a modest increase from the previous year's threshold.

Applications for assistance were accepted at local departments of social services in person or by telephone, with funding provided on a first-come, first-served basis.

Additionally, Governor Hochul made $150 million in federal funding available to help low-income households pay heating utility arrears if they do not qualify for the assistance under New York's Emergency Rental Assistance Program. The one-time payment will cover all accumulated heating utility arrears up to $10,000 per household, with applications for assistance accepted at local departments of social services in person or by telephone.

Consumer Protection Legislative Package

In November, Governor Hochul signed a consumer protection legislative package protecting consumers from abusive debt collection, as many practices relate to old debts being sued on, debt from credit card issuers being resold to other creditors, and minimal information being provided to debt purchasers. By increasing transparency, minimizing gaps in State civil procedure laws, and preventing extreme actions such as wage garnishment and bank account freezing, consumers are given more time to act on burdensome debt collection practices.

The Consumer Credit Fairness Act curbs abusive debt collection lawsuits by requiring defendants to be notified about legal action from a creditor, requiring court filings to include more information about the debt targeted in a lawsuit, lowering the statute of limitations for consumer credit transactions, and establishing specific requirements for applications for default judgments in consumer credit action. By increasing the information that consumers receive in the process of legal action, there are fewer gaps in State civil procedure laws, and preventing extreme actions such as wage garnishment and bank account freezing, giving consumers more time to act on burdensome debt collection practices.

The legislation prohibits utility companies from engaging in harassment, oppression, or abuse when working with a residential customer. By ensuring utility customers' rights, it will alleviate the stressors associated with missing a utility payment. This comes in response to various unscrupulous practices that utility corporations engage in, such as creating a payment agreement with customers that encourages customers to make large down payments in exchange for utilities not being shut down.

Statewide Campaign Highlights Heating and Utility Assistance

In November, Governor Hochul launched a digital media campaign designed to raise awareness of the various State programs available to help struggling New Yorkers pay heating and utility expenses and avoid potential service interruptions during the cold weather months. With utility prices expected to spike, the campaign also provided tips and best practices to help contend with higher-than-average home heating costs.

Heating and utility assistance eligible homeowners and renters could apply for HEAP, which provides up to $751 depending on income, household size, and how they heat their home. A family of four may have a maximum gross monthly income of $5,249, or an annual gross income of $62,983, and still qualify for benefits - a modest increase from the previous year's threshold.

Administered by OTDA, applications for HEAP are accepted in-person at local departments of social services or by telephone, with funding provided on a first-come, first-served basis. Residents outside of New York City may also apply online for regular heating assistance benefits.

New York State is also providing $150 million in federal funding to help low-income households pay heating utility arrears. The Regular Arrears Supplement is available to households who are eligible for HEAP and behind on their heating utility bills, but do not qualify for the utility assistance offered by New York's Emergency Rental Assistance Program. The one-time payments through the regular arrears supplement can cover all accumulated heating utility arrears up to $10,000 per household, with applications for assistance accepted at local departments of social services in person or by telephone.

Approximately 523,000 households received $158.6 million in regular HEAP benefits during the 2021-22 heating season. More than $79 million has been paid on behalf of 50,000 households for the Regular Arrears Supplement, which opened for applications in late September.

OTDA also accepted applications for its heating equipment repair or replacement benefit. Eligible homeowners could apply for up to $3,000 for repair or $6,500 for replacement of a furnace, boiler, or other direct heating equipment necessary to keep the household's primary heating source working. Additionally, eligible households could receive energy efficiency services, which includes the cleaning of primary heating equipment to allow for its safe and efficient operation.

HEAP also provided a one-time emergency benefit to eligible households that are facing a heating emergency.

Electric and natural gas bills were expected to be higher for the 2021-2022 winter season than the previous year, with natural gas projected to increase by an average of about 21 percent statewide. Given this projection, the New York State Division of Consumer Protection (DCP) offered the following tips to help consumers cope with higher-than-average home heating prices:

- **Take steps to be more energy efficient.** Consumers can take small steps at home, such as lowering the thermostat by a few degrees, using curtains that help keep heat in, and adding weather stripping to windows and doors -- all are either no or low-cost improvements. NYSERDA offers energy saving tips for residents and homeowners that can lower energy usage. Income eligible customers may also qualify for reduced-cost or free energy upgrades to their homes through Empower New York and Assisted Home Performance with ENERGY STAR® programs. Homeowners should also check with their local gas and electric utility companies to access discounted products and services that can help them lower their energy costs.

- **Get a free energy audit.** New York homeowners are eligible for a free home energy assessment through NYSERDA, which then assists them in connecting with NYSERDA's low-interest financing programs.
- **Upgrade to a clean energy heat pump.** With rising fuel costs, homeowners may consider switching from fossil fuel heating equipment to a clean energy heat pump system. The New York State Clean Heat program offers rebates to homeowners to install both ground source (geothermal) heat pumps and cold-climate air source heat pumps.
- **Join a Clean Heating and Cooling Campaign.** NYSERDA supports communities across the State in implementing community-based outreach and education campaigns for clean heating and cooling. These campaigns are designed to help consumers understand heat pump and home improvement technologies and their benefits. Community members can negotiate rates collectively, select an installer competitively, and decrease up-front costs by enrolling in a local campaign.
- **Know your rights and protections.** The New York State Home Energy Fair Practices Act has comprehensive protections for residential customers regarding their utility services. These rights include the option to pay bills in installments, a cap on late fees, sufficient notice prior to shut-off of services, and protections for those on a fixed income or with medical conditions. Learn about these from the Department at AskPSC.
- **Consider bill payment options.** Residential consumers can inquire with their utility provider about billing options that allow for deferred payments or budget billing to even out utility bills that are higher in one season and lower in another. This can help structure payments to make it easier to navigate costs.
- **Sign up for community solar.** Community solar allows New Yorkers to save money on their electric bills each month. Consumers can subscribe to a community solar project and start receiving credits on their regular electric bill for clean energy produced by a solar farm. Renters, co-op/condo owners, and businesses can save money by accessing the clean energy produced by these solar farms. Learn more about how to sign up for community solar on NYSERDA's website.

$90 Million in Federal Emergency Home Heating Aid Available

In December, Governor Hochul announced a substantial year-over-year increase in available emergency home heating aid -- with more than $90 million in federal funding available to help low- and middle-income New Yorkers avoid having their home heating disconnected or exhausting their heating source amid fuel price increases over the winter. Administered by OTDA, HEAP began accepting emergency benefit applications in early January for those New Yorkers who have already used up their regular benefit and who faced a heating emergency.

The emergency benefit amount per household was increased by 32 percent, and upward of 42 percent, depending on the type of heating fuel used for the household. A home heated with natural gas would be eligible for $465, a 32.8 percent increase over last year's benefit, while a home using oil, kerosene, or propane will be eligible for a $965, a 42.9 percent increase over the prior year.

During the fall, the Commission forecasted that electric and natural gas bills would be significantly higher for the 2021-2022 winter season, with natural gas projected to increase by an average of about 21 percent statewide. The cost of propane has also increased about 30 percent since last winter, according to NYSERDA.

In order to be eligible for the emergency benefit, an income-qualifying household had to have faced a heating utility shutoff or electric utility service disconnection, if it was necessary to operate the primary heating equipment. Also qualified for the benefit were those households that had exhausted their heating fuel supply or had less than one quarter tank of oil, kerosene, or propane; or have less than a 10-day supply of other heating fuels.

In the previous year, the heating emergency benefit provided critical assistance to more than 111,000 New Yorkers. In total, OTDA distributed roughly $65 million in emergency heating assistance during the 2020-2021 winter season.

OTDA accepted applications for the regular arrears supplement, which provided $150 million in federal funding to help HEAP-eligible households pay heating utility arrears. The one-time payments covered all accumulated heating utility arrears up to $10,000 per household, with requests for assistance accepted at local departments of social services in person or by telephone.

Help was also available for eligible homeowners if their primary heating equipment was unsafe or not operating and their furnace or boiler had to be repaired or replaced. Benefit amounts through the HEAP Heating Equipment Repair and Replacement program are based on the actual cost incurred to repair or replace the essential heating equipment -- up to $3,000 for a repair and $6,500 for a replacement.

HEAP eligibility criteria and income guidelines vary by household size - for instance, a family of four may have a maximum gross monthly income of $5,249 or an annual gross income of $62,983.

Consumer Rights, Protections, and Programs

In December, the Department increased its effort to educate consumers on their rights and protections regarding utility shutoffs, programs to assist with utility arrears, and information for those seeking heating assistance. While the utility shutoff moratorium originally enacted by the State Legislature in May 2020 ended on December 21, 2021, consumers had several options to prevent disconnection. The Department regulations prohibited utilities from disconnecting residential customers for a two-week period encompassing the Christmas and New Year’s Day holidays.

On December 21, 2021, the 180-day period of additional protections from terminations or disconnections for qualifying electric, gas, telephone, cable television, internet, and water customers ended. The Department urged customers to take advantage of available assistance programs to help pay down their arrears and keep their services connected.

To help ensure people stayed warm last winter, Governor Hochul launched a statewide campaign to highlight heating and utility assistance for struggling New Yorkers. The digital media campaign raised awareness of the various State programs available to help struggling New Yorkers pay heating and utility expenses to avoid potential service interruptions during the cold weather months. In light of utility price spikes, the campaign provided advice to help consumers contend with higher-than-average home heating costs.

As the utility shutoff moratorium ends, the Department is closely monitoring utilities to ensure they are offering consumer protections so that service continues without interruption during the winter months. In addition, we are actively working with our major utilities to address the financial problems caused by the ongoing pandemic and to make sure utility customers understand ways to reduce their energy bills this winter and are fully aware of assistance programs available to assist them with paying off arrears.

Eligible homeowners and renters applied for HEAP -- up to $751 depending on income, household size, and how consumers heat their home. A family of four may have a maximum gross monthly income of $5,249 or an annual gross income of $62,983 and still qualify for benefits -- a modest increase from the previous year's threshold. Administered by OTDA, applications for HEAP are accepted in-person at local departments of social services or by telephone, with funding provided on a first-come, first-served basis. Residents outside of New York City could also apply online for regular heating assistance benefits. New York State is also providing $150 million in federal funding to help low-income households pay up to $10,000 in heating utility arrears. Starting January 2022, HEAP will also provide a one-time emergency benefit to eligible households that are facing a heating emergency.

Another available resource is New York's Energy Affordability Policy (EAP) that requires the State's major electric and natural gas utilities to provide monthly bill discounts to income-eligible customers. To address higher winter energy costs, the Commission increased the budget for the EAP program by $129 million to $367 million, which meant 95,000 more low-income families would be able to receive benefits, which vary by utility. The program expansion will result in more targeted bill discounts.

Consumer Protection

OTDA and the Department reached an agreement with the major electric and gas utility companies to ensure the approximately 77,000 tenants that had applied for utility arrears forgiveness through the State’s Emergency Rental Assistance Program are not disconnected while their application is pending. The major electric and gas utility companies have agreed to help OTDA identify these customers and then refrain from shutting them off as they await payments from the program.

Further, the Department published updated guidance to municipal water providers concerning their continuing obligation to offer customer protections through June 30, 2022. For the period from December 22, 2021, until June 30, 2022, municipal water providers must give at least 30 days written notice before terminating or disconnecting the service of, or placing, selling, or enforcing any lien on the real property of a residential customer, a non-residential customer whose account serves residential premises, or a qualified small business customer. Additionally, municipalities must continue to offer deferred payment agreements that comply with HEFPA to customers financially impacted by the COVID-19 pandemic until June 30, 2022.

The term of these agreements is governed by HEFPA and may extend beyond June 30, 2022.

Utility customers should be sure to take advantage of assistance programs to keep their utility services connected and reduce the financial burden of winter energy bills. After December 21, 2021, utility companies and municipalities could resume disconnecting customers who do not obtain a HEAP or LIHWAP grant or enter into a deferred payment agreement. HEFPA requires energy, telephone, and private water utility companies to provide their customers with a disconnection notice at least 15 days before the disconnection date shown on the notice. HEFPA also prohibits disconnections during a two-week period encompassing Christmas and New Year's Day.

Meanwhile, the Commission has undertaken several actions to address the financial ramifications of the ongoing pandemic on consumers. These ongoing proceedings include impacts on rate-setting, rate design, utility financial strength, low-income programs, regulatory priorities, collections and termination of service, ensuring the provision of safe and adequate service at just and reasonable rates in recognition of the ramifications from the COVID-19 pandemic; and the extent, if any, that the Commission's clean energy programs should be maintained or accelerated.

Expanded Solar-for-All Program Approved for National Grid's Low-Income Customers

In January, the Commission approved the first phase of a program whereby low-income electric customers of National Grid currently enrolled in the company's Energy Affordability Program (EAP) will be automatically enrolled in a new Expanded Solar-For-All program (E-SFA), which, when fully implemented, will save these customers an estimated $5 a month on their utility bills.

Enacted in 2019, CLCPA expanded several statewide clean energy and climate goals, including that New York State develop 6 GW of distributed solar projects by 2025, and that 70 percent of New York's electricity come from renewable energy sources, such as wind and solar, by 2030. The inclusion of low-to-moderate income (LMI) customers and disadvantaged and environmental justice communities in New York State's clean energy programs is crucial to the programs' success and fairness considering CLCPA includes a requirement that disadvantaged communities receive at least 35 percent of the benefits of clean energy programs.

In 2020, in furtherance of CLCPA's solar and clean energy mandates, the Commission authorized $573 million in additional funding to drive distributed solar development in New York. As part of that funding, the Commission authorized $200 million of the incentives to directly benefit low-income and moderate-income customers, affordable housing, and environmental justice, and disadvantaged communities, and it encouraged NYSERDA to collaborate with one or more utilities to propose a program for increasing utility enrollment of low-income customers in distributed solar.

On April 23, 2021, NYSERDA and National Grid filed a joint petition for approval of an E-SFA program for providing community solar to low-income customers. The joint petition requested that the Commission approve an E-SFA program under which National Grid would aggregate bill credits generated by participating community distributed generation (CDG) projects and distribute them evenly among EAP customers automatically enrolled into the program.

In the 2020 NY-Sun expansion order, the Commission stated that distributed solar resources are a vital component of New York's clean energy system, and the NY-Sun program has been an effective means of driving distributed solar deployment toward achieving the State's clean energy goals. At the same time, NY-Sun has historically had only limited success in reaching LMI customers.

While CDG has provided the opportunity for any customer to be served by solar (including those without access to rooftop solar), LMI participation in CDG remains limited. Less than six percent of the company's residential customers enrolled in community solar are EAP customers. The Commission's decision is designed to further spur LMI participation in the solar program, and it leverages some of the previously authorized funds to be used to ensure sufficient CDG project participation in the E-SFA program, toward providing bill credit savings for participating low-income customers.

National Grid has nearly 160,000 customers participating in its EAP, and all of them will receive benefits from this new program. Customers can opt out of the new solar program if they so choose.

$30/Month Discount Available with Federal Affordable Connectivity Program

In January, a multi-agency initiative was led by the Department to encourage eligible New Yorkers to sign up for the federal government's Affordable Connectivity Program, a then newly launched program that provided discounts of up to $30 a month toward internet service for low-income families.

The Department, in coordination with other public-facing State agencies and Internet service providers, leads a statewide, all-of-government awareness and marketing campaign under the Governor's ConnectALL Initiative to increase enrollment among eligible New Yorkers.

Governor Hochul's ConnectALL Initiative, announced as part of her State of the State address, is a transformational investment in New York's communities and digital infrastructure. It not only ensures available and accessible high-speed, reliable broadband for all New Yorkers, but also that New York will lead the 21st-century connected economy. This effort not only involves government and community outreach but also works with the State's largest broadband providers to reach eligible New Yorkers.

For too long, broadband had been out of reach for many New Yorkers because it is not affordable. In addition to reducing costs for consumers through capital investments, the Governor's pioneering ConnectALL Initiative aims to ensure that every New Yorker eligible to participate in the Affordable Connectivity Program is equipped with the information and support they need to enroll and begin benefitting.

Broadband costs New Yorkers over $60 a month on average. In addition to the $30 a month assistance, financially eligible households can also receive a one-time discount of up to $100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute more than $10 and less than $50 toward the purchase price.

As part of the Initiative announced by Governor Hochul, the Department directly publicized the federal broadband discount as part of its regular consumer outreach that included nearly 100 consumer events in 2022, and in its statewide broadband mapping initiative.

The Department encouraged major broadband providers to promote the program and report on their plans as they develop. The major broadband providers include Charter, Verizon, and Altice, which collectively serve more than 95 percent of the State's households, as well as wireless providers AT&T, T-Mobile, and Verizon.

Other New York State agencies involved in the broadband outreach initiative include OTDA, which directed social services agencies to share outreach materials to clients; and the Office of Children and Family Services, who promoted the broadband subsidy through local departments of social services, childcare licensors, childcare providers, foster care, and voluntary agencies.

Further, the Department of Labor promoted the subsidy through its statewide outreach channels, Homes and Community Renewal reached out to property owners in its portfolio and provided them with program materials to post in common areas and distribute to their residents, the Department of Motor Vehicles prepared a direct mail and email advertising campaign, and Empire State Development prepared capital broadband grants and the regional councils to increase awareness and enrollment.

Con Edison's Review of Billing Practices

In February, Governor Hochul urged Consolidated Edison Company of New York, Inc. (Con Edison), through a letter from the Commission, to review their billing practices and to better communicate with New Yorkers after a recent surge in energy costs left many already struggling New Yorkers surprised, and she also announced increased relief efforts to reach low-income New Yorkers about the millions of dollars in available aid.

During the winter, the cost of natural gas used to heat homes and generate electricity had risen sharply, resulting in a significant increase -- sometimes more than doubling -- of the supply component of customer electric and/or natural gas bills as compared to previous months' bills. The bill increases were driven by a global increase in natural gas commodity prices because of higher domestic usage due to colder-than normal weather, increased economic activity, and increased international demand for natural gas.

At its October 7, 2021, session, the Commission discussed the projected supply price increases and steps the utilities were taking to inform customers. To address the increase in supply prices, Governor Hochul launched a statewide effort to raise awareness of the various State programs available to help struggling New Yorkers pay heating and utility expenses to avoid potential service interruptions during the cold weather months. The programs announced by the Governor include:

- More than $373 million in home heating aid available through HEAP for low- and middle-income New Yorkers who need assistance keeping their homes warm during the winter season -- 1.4 million regular HEAP benefits have been received by eligible households, totaling $208 million.
- Additional federal funding available to help low-income households pay heating utility arrears --104,000 Regular Arrears Supplement benefits were issued, and $166 million in arrears were paid off for eligible households.
- $90 million in federal funding through Emergency HEAP was made available to help low- and middle-income New Yorkers avoid having their home heating disconnected or exhausting their heating source amid fuel price increases -- nearly 20,000 emergency HEAP benefits have been

received by eligible households totaling $17.8 million.

- An increase in the statewide EAP program budget by the Commission in 2021, from $237.6 million to $366.7 million, and expanded eligibility resulting in about 95,000 more low-income customers that are able to receive benefits. Since September 2021, approximately $153 million in bill discounts were issued by utilities to eligible customers.

Billing Practice Adjustments

Neither the utilities nor the Commission control the price of the supply component of energy bills. o better protect consumers from sudden commodity price increases, utilities use a variety of buying methods and hedges, including short-term and long-term contracts. While hedging is a strategy shared by all utilities, each utility applies the value of these hedges differently to customer utility bills. In the case of Con Edison, their billing practices for customers was a contributing factor to the significant increase in supply rates and ultimately customer bills.

In a letter to Con Edison, the Commission requested a detailed review of the utility's billing practices, including an assurance that the full hedged value the utility secured in January was provided to customers in the next billing cycle, improved customer communications, and an evaluation of alternatives to their current billing practices with recommendations was due to the Department staff by February 28, 2022.

Reduced Reliance on Fossil Fuels

As New York moves toward a greener, cleaner economy, Governor Hochul is making significant investments to diversify electricity fuel sources, primarily through renewables, to decrease the State's reliance on fossil fuels and stabilize energy costs.

Recognizing the magnitude of the climate crisis, Governor Hochul announced an ambitious renewable energy and jobs agenda in her 2022 State of the State address and Executive Budget proposal. This agenda includes the next offshore wind development solicitation; a $500 million investment for offshore wind port infrastructure and supply chain; achieving two million climate-friendly, electrified or electrification-ready homes by 2030; phasing out New York's dirtiest, polluting power plants; animating the market for new clean energy technologies like green hydrogen; and ensure quality green job creation.

Consumer Education and Awareness

The Commission and the Department proactively messaged the projected increase in supply prices and the impact to customers' winter bills. In January 2022, the Department partnered with other State agencies and held a series of virtual workshops throughout the State for community leaders and elected officials. The workshops focused on: financial assistance programs, such as Home Energy and Low-Income Household Water Assistance Programs; utility energy affordability programs; weatherization and other actions consumers can take to be energy efficient; home and community-based services and supports for older adults and their caregivers; and how to direct consumers to the winter resources.

Additionally, at the onset of winter, the utilities proactively communicated that customers' winter bills would be higher due to increased supply prices. Said outreach and education included press releases, newsletters, utility call center representative training, YouTube videos, and social media posts.

The Commission is committed to making sure customers are aware of available programs to receive the assistance and information they need to effectively manage their energy bills.

New Yorkers Warned About Rising Energy Costs

In March, Governor Hochul announced that the Commission sent letters to all of New York's major electric and gas utilities requiring them to increase their outreach and education efforts on the continuing surge in energy supply prices and the impact on utility bills, in light of the national increases to utility bills seen as a result of the rising cost of natural gas. In addition, Governor Hochul launched an enhanced statewide campaign to increase relief efforts for low-income customers to access millions of dollars in aid that are available.

The cost of natural gas, which is used to heat homes and generate electricity, continues to rise sharply resulting in a significant increase -- sometimes more than doubling -- of the supply component of customer electric and/or natural gas bills as compared to prior months. The bill increases are driven by a global increase in natural gas commodity prices due to higher domestic usage as a result of colder-than-normal weather, increased economic activity, and increased international demand for natural gas.

On February 11, 2022, the Commission sent a letter to Con Edison, the State's largest utility, urging it to review its billing practices and better communicate with its customers. Con Edison's February 25 response said it would adjust its billing process to reduce the likelihood of significant customer bill volatility and improve its communication with electric and gas customers.

Given the sudden and sharp increase in energy prices, it is critically important for consumers to reduce their monthly energy bills by considering cost-effective energy efficiency investments such as using LED lights, better household insulation, and more energy efficient appliances. Many of these investments can be made by consumers themselves without the need to hire a contractor.

The Commission issued letters to all of the State's other major electric and gas utilities calling on them to take steps to communicate proactively, protect customers, and mitigate costs impacts wherever possible, including through a variety of buying methods and hedges, as well as promote consumer payment assistance plans and programs to reduce energy usage. Separately, Governor Hochul called on the State's heating oil and propane suppliers to also be proactive in terms of increasing consumer awareness of options to reduce home heating bills.

Millions of Dollars Available for Heating Assistance

In September, Governor Hochul launched an enhanced statewide effort led by OTDA to raise awareness of the various assistance programs available to help struggling New Yorkers pay heating and utility expenses. The programs help avoid potential service interruptions throughout the winter season. These programs include:

- Additional federal funding of $250 million to help low-income households pay heating utility arrears up to $10,000 per household.
- In 2021, the Commission increased the budget for the statewide EAP

program from $237.6 million to $366.7 million.

- For low-income households facing no-heat situations, OTDA also accepted applications for heating equipment repair or replacement. Eligible homeowners could apply for up to $3,000 for repair or $6,500 for replacement of a furnace, boiler, or other direct heating equipment necessary to keep the household's primary heating source working.

In addition to bill payment assistance, customers are also urged to enroll in energy efficiency programs to help reduce energy consumption, lower bills overtime, and improve the health, comfort, and safety of their home.

Available Programs Help New Yorkers Manage Rising Energy Costs

In March, Governor Hochul announced several programs and options were available to address rising energy supply costs.

Families and businesses alike could take advantage of programs to adopt energy efficiency and electrification solutions for homes and buildings, which would make them more comfortable and help manage energy costs.

The Governor announced the Department issued letters to all of New York's major electric and gas utilities requiring them to increase their outreach and education efforts regarding the impact on energy bills from surging energy supply prices. She also launched an enhanced statewide campaign to educate New Yorkers about available programs low-income customers can tap into to access millions in aid.

The costs of natural gas, heating oil, and propane rose sharply resulting in increases in utility and heating bills, with international geopolitical influences putting additional pressure on the price of oil and gas.

New York State is also providing $250 million in federal funding to help low-income households pay heating utility arrears up to $10,000 per household. Additionally, $58 million in emergency HEAP funding remains available to help low- and middle-income New Yorkers avoid having their home heating disconnected or their heating source exhausted amid winter fuel price increases.

Commission Receives Update on Initiatives to Help Consumers

In March, the Commission was updated by Department staff on how the State's major electric and gas utilities have responded to directives to increase their outreach and education efforts with New Yorkers regarding recent surges in energy supply prices, and to identify ways to improve billing and price hedging practices to ensure they benefit consumers. The action was a result of national increases to utility bills due to the rising cost of natural gas.

On February 11, the Chair of the Commission wrote to Con Ed directing them to improve its billing mechanisms to reduce dramatic changes in commodity price from month to month (an issue unique to Con Edison that exacerbated supply price volatility for their customers) and urged the company to improve communications with customers.

On March 1, the Chair wrote to all utilities to strengthen communications. The utilities responded to the Chair's directives. As an example, Con Edison, the State's largest utility (with 3.4 million electric and gas customers) filed an emergency tariff to fix its billing by the summer, in advance of any potential seasonal increases in energy demand and potential supply price volatility.

The other major utilities, O&R, National Grid, NYSEG, RG&E, National Fuel, PSEG Long Island, and Central Hudson, reviewed their existing power supply purchasing to mitigate the risk of severe price volatility, refocusing their efforts to educate consumers regarding anticipated bill increases, and increasing outreach and education efforts to promote consumer payment assistance plans and programs to reduce energy usage.

The utilities would increase the frequency of their communications using a wide range of platforms such as press releases, bill inserts, newsletters, utility call center representative contacts (supported by additional training for these representatives), YouTube videos, and social media posts.

Also, the utilities will continue to promote a range of programs that offer flexible payment terms and meaningful discounts, such as: deferred payment agreements, payment extensions, level payment plans, and EAP discounts for low-income customers. The utilities will also communicate to customers the availability of bill assistance programs such as HEAP, Emergency Home Energy Assistance Program, Regular Arrears Supplement, and the Emergency Rental Assistance Program.

As New York moves toward a greener, cleaner economy, Governor Hochul is making significant investments to diversify electricity fuel sources through renewables to decrease the State's reliance on fossil fuels and stabilize energy costs.

Recognizing the magnitude of the climate crisis, Governor Hochul announced an ambitious renewable energy and jobs agenda in her 2022 State of the State address and Executive Budget proposal. The agenda included the next offshore wind development solicitation; a $500 million investment for offshore wind port infrastructure and supply chain; achieving two million climate-friendly, electrified or electrification-ready homes by 2030; phasing out New York's dirtiest, polluting power plants; animating the market for new clean energy technologies like green hydrogen; and creating quality green jobs. These initiatives are expected to reduce price volatility over the long-term.

The Commission will continue to proactively alert customers of projected increases in supply prices, potential impacts to customers' utility bills, and the consumer protections and assistance programs that are available to assist customers with managing their energy bills. These efforts, in coordination with the State's electric and gas utilities, will include press releases, newsletters, utility call center representative training, YouTube videos, and social media posts.

ELECTRIC GENERATION SITING

100 MW Flint Mine Solar Farm

In August, the Board on Electric Generation Siting and the Environment (Siting Board) granted approval to Flint Mine Solar, LLC (Flint Mine) to build and operate a 100 MW solar farm in the Towns of Coxsackie and Athens, Greene County. The Siting Board's decision followed a detailed review and robust public participation process to ensure that the wind farm meets or exceeds all siting requirements. This solar farm and other renewable energy projects currently under development are vital to meet CLCPA's aggressive carbon reduction and clean energy targets to combat climate change.

According to the developer, the project could potentially create nearly 490 manufacturing, supply, and construction jobs that will pay $41.3 million in wages, as well as create additional opportunities for local construction and construction supply vendors.

The solar farm will result in annual payments to local landowners in association with the lease and easement agreements. The facility will be located on approximately 1,638 acres of privately leased or purchased land. The solar panels will be connected to the electric grid via infrastructure owned by National Grid.

After reviewing the agreed-upon certificate conditions submitted by most of the parties, the Siting Board determined that the solar farm will be consistent with the energy policies and long-range planning objectives and strategies contained in the most recent State Energy Plan. Based on this, and based on its consideration of other relevant social, economic, and other factors, the Siting Board determined that the project will be a beneficial addition to the electric generation capacity of the State and will also serve the goals of improving fuel diversity, grid reliability, and modernization of grid infrastructure.

Flint Mine's formal application to the Siting Board was deemed compliant on August 12, 2020. The 33 parties to the proceeding included several State agencies, the municipalities, citizen groups, and labor groups. The record includes more than 180 public comments. The Siting Board held on-the-record virtual public statement hearings and compiled an evidentiary record containing expert and factual testimony.

By way of both direct and indirect benefits, prior to construction the developer will purchase as much as 90 percent of the land needed for the project directly from current landowners, resulting in a direct infusion of almost $15 million into the local economy. This is a significant, direct benefit to the participating landowners. The lands in the project area are ill-suited to agriculture and the infrastructure to support family farms no longer exists in the area. The project will allow participating landowners to realize significant value from their land resources and this, in turn, will accrue to the local taxing jurisdictions and local businesses in Coxsackie and Athens.

Other significant project benefits include the direct and indirect creation of jobs in construction and construction-related services, related supply chain jobs, jobs associated with induced impacts, and annual revenues for local economies during construction. In addition, local governments will receive significant payments in lieu of taxes (PILOT) over 25 years that will be distributed to the Towns of Athens and Coxsackie in Greene County; the Coxsackie-Athens Central School District; the West Athens-Limestreet Fire Company and Coxsackie Hose Company #3; and the

Coxsackie and Athens Libraries. For example, payments of special district taxes to fire and library districts are estimated to total an additional $192,257 and $243,585 annually, respectively.

Moreover, the developer will purchase and conserve the 62.5-acre Flint Mine Hill parcel and create a nearly 300-acre grassland conservation area improved with a recreational walking trail near Flint Mine Road. These significant open space conservation benefits are in addition to the direct financial benefits to participating landowners.

Based on this record, the construction, and operation of the project is in the public interest. It is consistent with State policies and law and will provide significant benefits to the host communities and the surrounding region and the State.

The developer estimated construction of the solar farm, expected to take approximately 18 months, would provide $68 million in overall economic output, including $21 million countywide.

These solar farms and other renewable energy projects currently under development are vital to meet the Climate Leadership and Community Protection Act's aggressive carbon reduction and clean energy targets to combat climate change. These solar farms will benefit all New Yorkers by reducing our reliance on fossil fuels, boosting clean-energy investment, creating clean-energy jobs, and improving our environment.

50 MW Hecate Solar Farm

In September, the Siting Board granted approval to Hecate Energy Greene 1 LLC, Hecate Energy Greene 2 LLC, and Hecate Energy Greene County 3 LLC (Hecate Greene) to build and operate a 50 MW solar farm in the Town of Coxsackie, Greene County. The Siting Board's decision followed a detailed review and robust public participation process to ensure that the solar farm meets or exceeds all siting requirements.

This solar farm, and other renewable energy projects currently under development, is vital to meet CLCPA goals.

According to the developer, the project could potentially create nearly 200 manufacturing, supply, and construction jobs, as well as create additional opportunities for local construction and construction supply vendors.

The solar farm will contribute annual payments to local landowners in association with the lease and easement agreements. The facility will be located on approximately 800 acres of privately leased or purchased land, including 356 acres under habitat protection.

The solar panels will be connected to the electric grid via infrastructure owned by the local utility. According to the developer, the 50 MW solar farm will produce enough electricity for 13,000 average sized homes annually.

After reviewing the agreed-upon certificate conditions submitted by most of the parties, the Siting Board determined that the solar farm project will be consistent with the energy policies and long-range planning objectives and strategies contained in the most recent State Energy Plan.

Based on this, and based on its consideration of relevant social, economic, and other factors, the Siting Board determined that the project will be a beneficial addition to the electric generation capacity of the State and will also serve the goals of improving fuel diversity, grid reliability, and modernization of grid infrastructure.

Hecate Greene's formal application to the Siting Board was deemed compliant on September 2, 2020. The 32 parties to the proceeding included several State agencies, the municipalities, citizen groups, and labor groups. The record includes more than 280 public comments. The Siting Board held on-the record virtual public statement hearings and compiled an evidentiary record containing expert and factual testimony.

According to the developer, other significant project benefits will include the direct and indirect creation of jobs in construction and construction-related services, related supply chain jobs, jobs associated with induced impacts, and annual revenues for local economies during construction. Overall economic contributions from the project will be $4 million to $6 million.

This is the second solar farm approved for Greene County by the Siting Board. On August 4, 2021, the Siting Board approved the 100 MW Flint Mine solar farm in the Towns of Coxsackie and Athens in Greene County. In addition to providing much-needed clean energy, both projects will provide significant economic benefits for the region.

Based on this record, the construction and operation of the project is in the public interest. It is consistent with State policies and law and will provide significant benefits to the host communities and the surrounding region and the State.

80 MW Waterloo Solar Farm

In November, the Siting Board granted approval to Trelina Solar Energy Center, LLC (Trelina) to build and operate an 80 MW solar farm in the Town of Waterloo in Seneca County. The Siting Board's decision followed a detailed review and robust public participation process to ensure that the solar farm met or exceeded all siting requirements.

According to the developer, project construction will employ between 85 and 128 construction workers, including onsite labor, electricians, equipment operators, construction managers, and foreperson jobs. Projections for direct local expenditures during project development and construction are approximately $16 million, with construction payroll being the highest at approximately $12.6 million.

Up to 90 percent of the total payroll is expected to be paid to workers in the region. In addition, there will be opportunities for local businesses to supply materials to support construction of the project, and service industry businesses such as hotels, restaurants, and entertainment venues will benefit from an increase in worker activity throughout construction.

The solar farm will contribute annual payments to local landowners in association with the lease and easement agreements. Payments over 30 years are estimated to total $64.9 million. The facility will be located on 418 acres within a 1,067-acre project area privately leased or purchased land. The solar farm is expected to begin commercial operation in 2022.

During the operation of the project, the developer expects to spend approximately $485,059 in total direct annual expenditures. Trelina expects expenditures for materials and equipment costs will be spent locally. The developer expects that agreements with the town, county, and local school districts will provide approximately $10.7 million in additional benefits.

According to industry estimates, the 80 MW solar farm will produce enough electricity for 21,000 average-sized homes annually. Trelina is a subsidiary of NextEra Energy Resources, LLC, one of the world's largest generators of wind and solar energy, with generating facilities across the U.S. and in Canada.

After reviewing the agreed-upon certificate conditions submitted by most of the parties, the Siting Board determined that the solar farm is consistent with the energy policies and long-range planning objectives and strategies contained in the most recent State Energy Plan.

Based on this, and based on its consideration of other relevant social, economic, and other factors, the Siting Board determined that the project will be a beneficial addition to the electric generation capacity of the State and will also serve the goals of improving fuel diversity, grid reliability, and modernization of grid infrastructure.

Trelina's formal application to the Siting Board was deemed compliant on December 8, 2020. The nine parties to the proceeding included several State agencies, the municipalities, and labor groups. The record includes more than 50 public comments. The Siting Board held on-the-record virtual public statement hearings and compiled an evidentiary record containing expert and factual testimony. Trelina was the seventh renewable energy project approved by the Siting Board in 2021.

The Waterloo project will consist of commercial-scale solar arrays; access roads; buried and possibly overhead electric collection lines; a collection substation; and electrical interconnection facilities. Additional facilities would include a 115-kV switchyard which will be transferred to NYSEG to own, maintain, and operate. The project would be located on land leased from owners of private property. The proposed height of the solar array itself will be approximately 10 feet.

According to the developer, other significant project benefits include the direct and indirect creation of jobs in construction and construction-related services, related supply chain jobs, jobs associated with induced impacts, and annual revenues for local economies during construction. A cost-benefit analysis conducted by the Seneca County Industrial Development Agency showed that the project would return $43.9 million in benefits to the region and the State. The total investment for the project is $128 million.

280 MW Byron Solar Farm, 20 MW Battery Storage

In April, the Siting Board granted approval to Excelsior Energy Center, LLC (Excelsior) to build and operate a 280 MW solar farm, with 20 MWs of battery storage, in the Town of Byron, Genesee County. The Siting Board's decision followed a detailed review and robust public participation process to ensure that the solar farm met or exceeded all siting requirements.

The Genesee County Economic Development Center estimated the cost of the project at $345 million, and said it would create new jobs, provide long-term revenue and economic development to Genesee County and the Town of Byron. According to estimates, the project will provide $117.5 million economic impact, which includes PILOT payments; host benefit payments; fire district payments; elimination of agricultural exemptions on acreage used for solar panels; direct construction payroll; other direct construction related purchases; and payroll and purchases during operations.

- Excelsior is expected to provide $37.4 million in new revenue to the county, town, and school district in property tax-type benefits to invest in infrastructure, additional services, and resources for residents.
- The project will create 290 jobs during construction, three to four

full-time positions, and opportunities for landscaping and snow plowing throughout the life of the project. There will be opportunities for local businesses to supply materials to support the construction of the project, and service-industry businesses such as hotels, restaurants, and entertainment venues will benefit from an increase in worker activity throughout construction.

- The project will invest approximately $40.8 million in construction labor, creating employment opportunities for those in the construction trades, including equipment operators, truck drivers, laborers, and electricians.

According to the developer, operation of the facility will result in a reduction of approximately 205,432 tons of CO_2 from the New York State power sector in 2023.

The project area consists of approximately 3,443 vacant acres, and the project footprint is 1,716 acres. The solar farm is expected to begin commercial operation in late 2022. Through land agreements, the project developer said it supports the agricultural economy by infusing revenue into family farms and diversifying their income. The developer says it will support local farms that employ 70 people in the Town of Byron.

According to industry estimates, the 280 MW solar farm will produce enough electricity for 74,000 average-sized homes annually. Excelsior is a subsidiary of NextEra Energy Resources, LLC, one of the world's largest generators of wind and solar energy, with generating facilities across the U.S. and in Canada.

After reviewing the agreed-upon certificate conditions submitted by the settlement parties, the Siting Board determined that the solar farm project is be consistent with the energy policies and long-range planning objectives and strategies contained in the most recent State Energy Plan. Based on this, and based on its consideration of other relevant social, economic, and other factors, the Siting Board determined that the project will be a beneficial addition to the electric generation capacity of the State and will also serve the goals of improving fuel diversity, grid reliability, and modernization of grid infrastructure.

The Excelsior solar farm and other renewable energy projects built or currently under development are vital to meet the Climate Leadership and Community Protection Act's aggressive carbon reduction and clean energy targets to combat climate change. This solar farm will benefit all New Yorkers by reducing our reliance on fossil fuels, boosting clean-energy investment, creating clean-energy jobs, and improving our environment.

Excelsior's formal application to the Siting Board was deemed compliant on April 8, 2021. The parties to the proceeding included several State agencies, the local municipality, and labor and community groups. The record includes more than 100 public comments and statements. The Siting Board held on-the-record virtual public statement hearings and compiled an evidentiary record containing expert and factual testimony.

Excelsior, the seventeenth renewable energy project approved by the Siting Board since 2018, is the largest solar farm thus far approved by the Siting Board.

The project will consist of commercial-scale solar arrays, access roads, buried, and possibly overhead electric collection lines, a collection substation, and electrical interconnection facilities. Additional facilities would include a 345-kV switchyard which will be transferred to New York Power Authority to own, maintain, and operate.

The project would be located on land leased from owners of private property. The height of the solar array itself will be approximately 13 feet. The project will include a 20 MW energy storage system which will charge exclusively off the solar array.

According to the developer, other significant project benefits include the direct and indirect creation of jobs in construction and construction-related services, related supply chain jobs, jobs associated with induced impacts, and annual revenues for local economies during construction.

TELECOMMUNICATIONS

Telephone Service Investment and Broadband Expansion

In July, the Commission approved an investment in Consolidated Communications Holdings, LLC (Consolidated), including its three upstate local telephone companies -- Berkshire Telephone Corporation, Chautauqua and Erie Telephone Corporation, and Taconic Telephone Corp. The investment will be used to improve customer service in New York and expand the company's broadband footprint by at least 300 customers in rural, upstate communities.

The company-wide investment by Searchlight Capital Partners LP of $425 million will enhance Consolidated's national position, which in turn should place the company's New York operating entities in a stronger position and allow them to increase their financial resources and enhance their business operations, including an expansion of fiber-based broadband services. The Commission's approval of the investment was conditioned on Consolidated expanding its network to provide broadband access to unserved or underserved locations within its New York footprint.

High-speed internet is essential to our everyday lives, and we need to make sure every household has access to the internet. With this investment, Consolidated will improve its existing infrastructure to benefit customers. By accelerating its infrastructure build-out, Consolidated will expand its broadband footprint and significantly boost broadband speeds.

Consolidated's three New York local telephone companies operate in Columbia, Chautauqua, Rensselaer, and Dutchess counties, and serve a total of 14,831 residential and commercial customers in New York State. The largest subsidiary is Taconic, with more than 10,000 customers in the Hudson Valley area of eastern New York State.

The 2021 Connectivity Agenda builds on this work, leading the nation in delivering equitable internet access for all New Yorkers.

In 2015, the State undertook the largest and most ambitious broadband initiative in the nation, dedicating $500 million to broaden internet access statewide. This investment, coupled with regulatory reforms, expanded the reach of broadband so that 98 percent of New York households have access to high-speed broadband with download speeds of at least 100 Mbps. Furthermore, the Governor took critical steps to tackle the digital divide in schools by signing the 2014 Smart Schools Bond Act. This Act made $2 billion available to school districts across the State for technology devices and classroom enhancements to improve school connectivity, making it possible for schools to weather the challenges of remote learning.

In its decision, the Commission granted the largest utilities in New York -- Consolidated Edison Company of New York, Inc. (Con Edison), Orange and Rockland Utilities, Inc. (O&R), National Grid, Central Hudson Gas & Electric Corporation (Central Hudson), New York State Electric & Gas Corporation (NYSEG), Rochester Gas & Electric Corporation (RG&E), and National Fuel Gas Distribution Corporation -- approval to lease or transfer utility property to participants of the Cyber Mutual Assistance (CMA) program. In addition, New York electric and gas utilities that join the CMA program were also granted approval to lease or transfer utility property to participants of the CMA program.

The Commission determined the utilities' participation in the CMA program would not adversely affect their provision to provide safe and reliable service as the program participants are under no obligation to respond to assistance requests. Pre-authorization of utility equipment leases or transfers allows the larger utilities to respond to cyber events under the CMA program at the time the assistance is needed, without having to wait for approval by the Commission.

Utility mutual assistance programs, which enable the program participants to share critical resources to facilitate timely recovery following storms or other natural disasters, are a longstanding energy industry practice. The CMA program is an extension of the tradition of mutual assistance through collective emergency response. The program was developed to counter the increasing and evolving threats to the cybersecurity of energy infrastructure. While traditional utility mutual assistance programs are usually coordinated at regional or state level, the CMA program allows utilities across the United States and Canada to share critical resources and equipment during and/or in recovery from a cyber-attack event. The membership is comprised of most of the major New York State electric and gas utilities and over 155 other entities including gas and electric utilities, regional transmission organizations, and independent system operators.

Utility Cyber-Security Protections Strengthened

In July, the Commission granted the State's largest electric and gas utilities permission to lease or transfer utility property amongst themselves and other utilities in the United States and Canada in the event of a cyber-attack. The initiative, part of the CMA program, provides for mutual assistance among utility participants in anticipation of, during, or following a cyber incident through the voluntary lease or transfer of services, labor, or equipment.

In its decision, the Commission granted the largest utilities in New York -- Con Edison, O&R, National Grid, Central Hudson, NYSEG, RG&E, and National Fuel Gas Distribution Corporation -- approval to lease or transfer utility property to participants of the CMA program. In addition, the New York electric and gas utilities that join the CMA program are also granted approval to lease or transfer utility property to participants of the CMA program.

The Commission determined the utilities' participation in the CMA program will not adversely affect their provision to provide safe and reliable service as the program participants are under no obligation to respond to assistance requests. Pre-authorization of utility equipment leases or transfers allows the larger utilities to respond to cyber events under the CMA program at the time the assistance is needed, without having to wait for approval by the Commission.

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While traditional utility mutual assistance programs are usually coordinated at regional or state level, the CMA program allows utilities across the United States and Canada to share critical resources and equipment during and/or in recovery from a cyber-attack event. The membership is comprised of most of the major New York State electric and gas utilities and over 155 other entities including gas and electric utilities, regional transmission organizations, and independent system operators.

When responding to a cybersecurity incident, the utilities can request assistance in the form of services, equipment, and/or personnel. A member may request certain tools or equipment to aid in the response to the incident itself, or request equipment to replace equipment that was damaged or compromised during a cybersecurity incident.

Under the CMA program, the participants directly impacted by a cybersecurity event are not obligated to request or receive assistance. Similarly, utilities are not required to respond to requests for assistance or to provide such assistance.

Launch of Broadband Mapping Survey

In September, Governor Hochul announced the launch of a Broadband Mapping Consumer Survey to assist in New York's first-ever in-depth statewide mapping study of broadband to identify the availability, reliability, and cost of high-speed broadband services across the State. Correctly gauging the prevalence and reach of broadband service has been a challenge not just in New York, but nationally. The federal government is also engaged in a similar study, but the timeline for its completion remains unclear.

As called for in the Executive Budget passed earlier this year, the Commission will study the availability, reliability, and cost of high-speed internet and broadband services across the State. As part of this process, the Commission will:

- Identify areas at a census block level that are served by a sole provider and assess any State regulatory and statutory barriers related to the delivery of comprehensive statewide access to high-speed internet.
- Review available technology to identify solutions that best support high-speed internet service in underserved or unserved areas and make recommendations on ensuring deployment of such technology in underserved and unserved areas.
- Identify instances where local governments have notified the Commission of alleged non-compliance with franchise agreements and instances of Commission or Department enforcement actions that have had a direct impact on internet access.
- Identify locations where insufficient access to high-speed internet and/or broadband service, and/or persistent digital divide, is causing negative social or economic impact on the community.
- Produce and publish on the Department's website, a detailed internet access map of the State, indicating access to internet service by address.

The Commission's map will include download and upload speeds advertised and experienced; the consistency and reliability of download and upload speeds including latency; the types of internet service and technologies available including dial-up, broadband, wireless, fiber, coaxial, or satellite; the number of internet service providers available, the price of internet service available; and any other factors the Commission may deem relevant.

Unlike previous federal maps, which have been sharply criticized for their lack of specificity and accuracy, New York's interactive map will focus on the status of broadband service at the street address level.

As part of the research, the Commission has sent letters to all providers in New York informing them that it has contracted with ECC Technologies, a New York State based company with expertise in technology and communications consulting, who will be seeking detailed information on their broadband service information, including service areas at address level, upload and download speeds, network infrastructure type(s), pricing, and other necessary data, to be used as the basis for the broadband map and report.

The Commission will publicly issue its report and recommendations in May 2022. The report will include the overall number of residences with access to high-speed internet, and it will identify which areas are served, unserved, and underserved. It will also conduct a regional survey of internet service prices in comparison to county-level median income and any relevant consumer subscription statistics. The purpose of the study is to help determine what steps are needed to ensure that all of New York's residential and commercial consumers have access to the internet.

As part of this groundbreaking study, the Commission held two public hearings to solicit input from the public and other stakeholders, including internet service providers, telecommunications concerns, labor organizations, public safety organizations, healthcare, education, agricultural, and other businesses, or organizations.

New York's comprehensive 2021 Connectivity Agenda builds on the State's nation leading initiative in delivering equitable internet access for all New Yorkers.

In 2015, the State undertook the largest and most ambitious broadband initiative in the nation, dedicating $500 million to broaden internet access statewide. This investment, coupled with regulatory reforms, expanded the reach of broadband so that 98 percent of New York households have access to high-speed broadband with download speeds of at least 100 Mbps.

Furthermore, New York took critical steps to tackle the digital divide in schools by signing the 2014 Smart Schools Bond Act. This Act made $2 billion available to school districts across the State for technology devices and classroom enhancements to improve school connectivity, making it possible for schools to weather the challenges of remote learning.

Legislation to Crack Down on Robocalls

In November, Governor Hochul signed legislation into law that builds on federal action to combat robocalls. The legislation required telecommunication companies to block robocalls from certain numbers to prevent unwanted robocalls across additional providers. It also required voice services providers to implement the STIR/SHAKEN call authentication framework to validate that a call is actually coming from the number it displays.

The legislation codifies in State law the provisions of a rule released by the Federal Communications Commission (FCC) in 2017, that went into effect in June 2021, that allows telecommunications companies to proactively block calls from certain numbers. These would include calls that are the most likely to be illegitimate, as they are coming from numbers that do not or cannot make outgoing calls. These types of numbers are indicative of 'spoofing' schemes in which the true caller identity is masked behind a fake, invalid number.

STIR/SHAKEN makes it much easier to trace illegal calls back to their source, since each call will have-an identification assigned to it. Once the source is identified, enforcement actions can be taken against the perpetrators.

Consumer Input on Broadband Availability

In December, the Department announced the addition of a toll-free consumer hotline and a mail-in paper option, in addition to the on-line survey, for the Department's Broadband Assessment Program Survey, urging more New Yorkers to take part in the consumer survey to aid in the construction of the Department's interactive map.

Through field-verified research, and with the help of internet service providers, the Department's interactive map will demonstrate not only those areas meeting the State's definition of served, but most importantly, where the unserved and underserved broadband infrastructure areas remain across the State.

As part of this process, the Department will:

- Identify areas at a census block level that are served by a sole provider and assess any State regulatory and statutory barriers related to the delivery of comprehensive statewide access to high-speed internet.
- Review available technology to identify solutions that best support high-speed internet service in underserved or unserved areas and make recommendations on ensuring deployment of such technology in underserved and unserved areas.
- Identify instances where local governments have notified the Department of alleged non-compliance with franchise agreements and instances of Commission or Department enforcement actions that have had a direct impact on internet access.
- Identify locations where insufficient access to high-speed internet and/or broadband service, and/or persistent digital divide, is causing negative social or economic impact on the community.
- Produce and publish on the Department's website, a detailed internet access map of the State, indicating access to internet service by street address.

The Department analysis will include download and upload speeds advertised and experienced; the consistency and reliability of download and upload speeds including latency; the types of internet service and technologies available including dial-up, broadband, wireless, fiber, coaxial, or satellite; the number of internet service providers available, the price of internet service available; and any other factors the Commission may deem relevant.

The report will include the overall number of residences with access to high-speed internet, and it will identify which areas are served, unserved, and underserved. It will also conduct a regional survey of internet service prices in comparison to county-level median income and any other relevant consumer subscription statistics. The purpose of the study is to determine what steps are needed to ensure that all of New York's residential and commercial consumers have access to the internet.

As part of the study, the Department held two public hearings to solicit input from the public and other stakeholders, including internet service providers, telecommunications concerns, labor organizations, public safety organizations, healthcare, education, agricultural, and other businesses, or organizations.

$1 Billion ConnectALL Initiative

In January, Governor Hochul announced a $1 billion ConnectALL Initiative -- the largest ever investment in New York's 21st century infrastructure -- as part of the 2022 State of the State address. This plan will deliver affordable broadband to millions of New Yorkers and transform the State's digital infrastructure through new investments. Under the ConnectALL Initiative, New York State will use over $1 billion in public and private investments to connect New Yorkers in rural and urban areas statewide to broadband.

The COVID-19 pandemic exposed how inaccessible and unreliable broadband connections were for many New Yorkers, who suddenly were forced to live their lives through the internet. It is essential that all New Yorkers have equitable access to the internet, as marginalized communities are most affected by this lack of broadband access.

Closing this remaining digital divide is critical, because having universal access to highspeed broadband in a digital economy is as essential as having heat, water, and electricity. Connectivity helps New Yorkers go to school, work remotely, find a job, start a business, access healthcare, and communicate with loved ones. Further investment in this vital public infrastructure strengthens the progress of our State's initial investment, and also boosts economic growth and local innovation far into the future.

High-speed internet is essential to access basic services and information that we use in our daily lives. With this groundbreaking study, we will begin the process to ensure that every part of the State - regardless of geographical and economic factors - can access high-speed broadband.

Driven by a new ConnectALL Initiative Office, this initiative includes:

- The Broadband Assessment Program, administered by the Commission, will provide New York with the first ever, in-depth interactive broadband map. The map will detail the availability and reliability of broadband infrastructure statewide and serve as a useful tool for targeting where investment in broadband connectivity is needed. Consumers will also have the ability to search for broadband providers and review what services are available in their area.
- Support of local efforts to expand broadband, the ConnectALL Initiative will establish three grant programs to provide funding to local municipalities and other entities to plan, engineer, and construct accessible broadband infrastructure. The State will coordinate with municipalities in every corner of New York to ensure funding is directed where it is most needed and that every community has the support and resources to effectively participate.
- The program takes a pioneering approach by providing grants to municipalities, non-profits, and other

entities to construct open and accessible public broadband infrastructure.

- The program will provide matching grants -- plus hundreds of millions of forthcoming dollars from the federal Infrastructure Investment and Jobs Act (IIJA) -- to support rural broadband access, including last-mile connections and middle-mile projects.
- The program will provide competitive grants to entities statewide to pilot and construct creative, innovative, and new solutions pioneering future breakthroughs.
- To further the expansion of affordable broadband, the Department will administer efforts to ensure every eligible New Yorker can take advantage of the IIJA's $14 billion Affordability Program to support a permanent $30 per month broadband subsidy for low-income households. The Department will also conduct a statewide marketing program geared toward increasing enrollment in this program -- which currently lags below 30 percent of eligible households in New York.
- New York Homes and Community Renewal will expand the affordability of broadband by working in partnership with Empire State Development to fund the retrofitting all affordable housing projects with broadband installations.

Empire State Development leads the development of a Statewide Digital Equity Plan in coordination with other State and local government agencies, as well as private and not-for-profit organizations.

As part of the initiative, Governor Hochul will establish a Digital Equity Grant Program to support the work of the groups and organizations developing the Statewide Digital Equity Plan.

Nassau County Prepares for New 363 Area Code

In January, the Commission announced that residential, business, and wireless customers within the existing 516 Nassau County area code region should begin to prepare for the introduction of the new 363 area code, beginning the second quarter of 2023.

To meet the increasing demand for residential and business phone numbers in Nassau County, the Commission, approved the new area code be added to the current 516 area code serving Nassau County.

The Commission approved a petition of the North American Numbering Plan Administrator (NANPA) to establish an all-services area code overlay as the appropriate means of providing numbering relief for the 516 area code in Nassau County. The existing 516 area code is expected to be exhausted, or run out of available numbers, no later than the second quarter of 2023. The all-services overlay has a projected life of approximately 49 years.

An overlay area code is the most effective possible use of numbering resources in Nassau County and results in long-term relief, with the least expense, and the least amount of disruption and frustration to consumers as possible

The overlay area code will be assigned to newly issued telephone numbers in Nassau County once all existing 516 telephone numbers are exhausted, and will apply to all telephone numbers, regardless of service type.

Beginning the second quarter of 2023, customers in the existing 516 area code requesting new service, an additional line, or a move in the location of their service, may be assigned a number in the new 363 area code.

Existing customers in the 516 area code that serves Nassau County will not be affected by the new overlay area code. Customers will retain their current telephone numbers, and 10-digit dialing for local calls will continue.

Customers should ensure that all services, automatic dialing equipment, applications, software, or other types of equipment recognize the new 363 area code as a valid area code. Some examples are life safety systems, fax machines, internet dial-up numbers, alarm and security systems, gates, speed dialers, mobile phone contact lists, call forwarding settings, voicemail services, and similar functions. Business stationery, advertising materials, personal checks, and personal or pet ID tags should include the area code.

100,000 Families have Joined the Federal Broadband Affordability Program

In March, Governor Hochul announced more than 100,000 additional qualifying families have enrolled in the federal government's Affordable Connectivity Program since New York launched a multi-agency broadband outreach initiative to spur enrollment. The federal program provides discounts of up to $30 per month toward internet service for eligible low-income families.

As a direct result of a multi-agency, multi-pronged outreach effort led by the Department, the State continues to increase the number of eligible enrollees daily. With over 715,000 households receiving the monthly subsidy as of March 14, 2022, New York leads among the four largest states with nearly 40 percent enrollment. The campaign, which launched in early January, started with less than 30 percent of eligible households enrolled. The eligible families that have just joined will receive approximately $36 million, bringing the total annual subsidies to more than $250 million.

The Department, in coordination with other public-facing State agencies and internet service providers, leads the statewide, all-of-government awareness and marketing campaign under the Governor's ConnectALL Initiative to increase enrollment among eligible New Yorkers.

New York State agencies involved in the broadband outreach initiative and their efforts include:

- OTDA, who is directing social services agencies shared outreach materials with clients and contracted service providers and is generating auto broadband subsidy autoreplies on all emails and publishing outreach on all social media outlets.
- Housing and Community Renewal reached out to nonprofit housing partners and property owners, and promoted on social media.
- Office of Children and Family Services promoted the broadband subsidy through local departments of social services, childcare licensors, childcare providers, foster care, and voluntary agencies, and on social media.
- Department of Labor promoted the subsidy through its statewide outreach channels, property owners in its portfolio to provide program materials for both posting in common areas and distributed to their residents, a PSA video, and on social media.
- The Department of Motor Vehicles sent emails and continued a social

media advertising campaign, broadcasting a PSA video on TV monitors in State-operated DMV offices in New York City, Long Island, and the counties of Albany, Westchester, Rockland, and Onondaga, as well as mailed approximately five million informational inserts throughout the year when customers receive their driver license.

- Empire State Development shared information through the Regional Economic Development Councils and leveraged long-term partnerships with internet service providers to increase awareness and enrollment.

Outreach and consumer advocacy is a priority for the State, and we are pleased with the success of this outreach initiative that will help ensure that all income-eligible New Yorkers will have access to high-speed internet at a reasonable price.

In addition, internet service providers in New York, including Spectrum, Altice, and Verizon, have continued their commitment to expanding the adoption of affordable internet service throughout the State to help close the digital divide and create a more equitable and inclusive digital world.

For too long, broadband has been out of reach for many New Yorkers because it is not affordable. In addition to reducing costs for consumers through capital investments, Governor Hochul's pioneering ConnectALL Initiative aims to ensure that every eligible New Yorker participates in the Affordable Connectivity Program and is equipped with the information and support needed to enroll.

Broadband costs New Yorkers more than $60 a month on average. In addition to the $30 a month assistance, financially eligible households can also receive a one-time discount of up to $100 to purchase a laptop, desktop computer, or tablet from participating providers if the consumer contributes more than $10 and less than $50 toward the purchase price.

TRANSMISSION LINE SITING

Commission Approves $800 Million Reliability Investment

In April, the Commission approved a request by Consolidated Edison Company of New York, Inc. (Con Edison) to recover the costs of three transmission projects: the Rainey to Corona Project, the Gowanus to Greenwood Project, and the Goethals to Greenwood Project. These projects are known collectively as the Transmission Reliability and Clean Energy Projects, or TRACE projects.

Work is expected to be operational by start of summer 2023, and the Gowanus and Goethals projects operational by start of summer 2025. Given that the projects will have climate benefits statewide, the allocation and sharing of these projects' costs will be evaluated and considered in future Commission orders.

The TRACE projects are needed for reliability in 2023 and 2025, and to address deficiencies in two of Con Edison's transmission load areas due to the retirement or unavailability of older, higher air polluting power plants that generate power when demand for electricity peaks. Simple-cycle combustion turbines (known as peakers or peaking units) are used to meet peak electric demand during the summer, which is typically the worst air quality period.

$5 Million for the Just Transition Site Refuse Planning Program

In August, Governor Hochul announced $5 million for the Just Transition Site Reuse Planning Program to facilitate site reuse planning services and support for communities facing fossil fuel power plant closures.

The program provides eligible communities with resources to begin charting a sustainable and economically viable path forward through site reuse planning services from designated experts, the development of a toolkit as a resource, and enhanced assistance for disadvantaged communities.

This supports the State's nation-leading goal of a 100 percent zero-emissions electric grid by 2040 and a just transition under the under CLCPA.

Ensuring a just transition for communities as New York State grows its renewable energy future provides opportunities for communities hosting conventional energy infrastructure to proactively plan to address site reuse. Under this new program, administered by NYSERDA, New York State is providing vital support to help enhance locally based engagement and help improve community transition outcomes.

A statewide site reuse toolkit, utilizing the information from the site planning processes, will be developed as an online resource to provide help to other communities facing, or planning for, site reuse. It will include information on local, regional, State, and federal programs to assist communities with economic development, brownfield reuse, and other aspects supporting successful site redevelopment.

Eligible communities include local governments that have a fossil fuel power plant located in their community, including those that have had a power plant close in the last five years, are facing current or future known closures, or are home to other operating fossil fuel facilities that commenced operations prior to 1990. Applicants may apply for planning services valued up to $150,000. Services awarded will be scaled based on site characteristics, and areas where plant closures impact a disadvantaged community may qualify for additional assistance valued at up to $10,000.

Planning services may include site reuse planning, environmental assessments, economic analysis, demolition and abatement assessments, and public health impact evaluation. Applications will be considered on a first come, first-served basis until August 5, 2024, or until funds are no longer available.

If selected for the program, local governments must sign a participation agreement and appoint a project liaison to ensure community participation in planning the transition from a conventional energy facility and toward community-wide environmental and economic health. The liaison will work with NYSERDA to select and be matched with a designated site reuse planning expert from a pre-determined list of companies that were chosen through a competitive process.

For communities and plants that have already undertaken preliminary analyses, support under this program may also include next-phase steps that maximize community engagement and proper site reuse, including a detailed infrastructure assessment, further environmental assessment, marketing and community engagement strategies, and workforce development strategies, in addition to other designated support as determined by NYSERDA and the site reuse experts.

Bergman Associates, P.C. was selected through a competitive process to help develop the statewide toolkit. The toolkit, individual site reuse plans, and community strategies under consideration will seek to reflect and align with the issues and opportunities for site reuse identified by the Just Transition Working Group, and presented to the Climate Action Council on April 12, 2021, as required by the Climate Act.

New York's transition to a clean power grid is well underway, combining a strong existing baseline of renewable facilities and a robust pipeline of new renewables already under contract. Once operational, these efforts will power 50 percent of New York's electricity. The services provided to communities under this program will also look to help communities position themselves to seek other support resources including any that may become available under the Biden Administration's newly established Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization.

New York State continues to invest in resources to ensure the impact of the closure of power plants on local communities will be mitigated to the fullest extent possible. Additional financial assistance is available for eligible jurisdictions facing power plant closures through the State's Electric Generation Facility Cessation Mitigation Program administered by Empire State Development. The program offers seven years of funding to aid in transition, and the Commission adopted a stable mechanism that provides a longer-term funding source for the program should local communities continue to need that support.

The Commission advanced the objectives of the Accelerated Renewable Energy Growth and Community Benefit Act, which requires the State’s utilities to propose and plan for large-scale transmission and distribution projects that will help the State achieve its CLCPA clean-energy targets at the least cost and greatest benefit to ratepayers and communities.

The Commission’s order set out four primary tasks for further work:

- Utilities are directed to refine and resubmit the evaluation criteria they propose for selecting CLCPA-driven upgrades and to provide more details on the mechanism for recovery of CLCPA-driven costs.
- Utilities are required to develop new, coordinated planning procedures, in collaboration with Department staff, NYSERDA, NYISO, and other stakeholders, and to revise their study methodologies.
- The four major upstate electric utilities -- NYSEG, RG&E, National Grid, and Central Hudson -- are directed to propose cost-effective solutions for the three existing generation pockets in the Capital Region, southwest, and northern regions of the State that are expected to see additional renewable generation development in response to the State's renewable procurement efforts.
- Utilities are directed to revise their method of calculating the local and regional electric grid's ability to integrate additional renewable resources and provide updated data to stakeholders.

Utilities to Submit Transmission Proposals That Support State's Aggressive Clean Energy Goals

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- Utilities are directed to revise their method of calculating the local and regional electric grid's ability to integrate additional renewable resources and provide updated data to stakeholders.

Transmission Line Projects in Orange and St. Lawrence Counties

In September, the Commission approved the second construction phase of the 86-mile, $484 million Smart Path project in St. Lawrence County and it approved the 12-mile, approximately $100 million Rock Tavern to Sugarloaf transmission project in Orange County.

Advancing renewable energy, driving statewide economic growth, and creating jobs requires smart and timely investments. New York is *making significant upgrades and additions to the State's existing transmission and distribution systems to integrate new large-scale renewable energy projects into the State's energy supply, and we must ensure that these investments are smart and cost-effective.*

The projects approved are in addition to other transmission projects valued at more than $2 billion that have been recently approved or are under construction, including the $854 million upgrade of a 93-mile transmission line in the Mohawk Valley and Capital Region called the Marcy to New Scotland Transmission Upgrade Project.

The New York Power Authority-owned Smart Path project was granted authorization in November 2019 and is being built in two phases.

The previously approved first construction phase, now underway, includes replacing 78 miles of the existing wooden structures and replacing them with steel monopoles. Additionally, the distance between poles is extended, further minimizing the use of space on the right-of-way, and greatly reducing the number of poles on the landscape. The rebuilt lines will be taller but stronger, less susceptible to failure and able to better withstand inclement weather, such as ice storms. Further, the reduced size of the project means less of an impact on agriculture and wetlands.

The second construction phase will involve rebuilding six miles of existing steel structures coming out of the Robert-Moses Switchyard in the Town of Massena and rebuilding 0.4 miles of steel structures into the Adirondack substation with steel monopoles. In its entirety, the Smart Path Reliability Project traverses through 12 towns from north to south: Massena, Louisville, Norfolk, Madrid, Potsdam, Canton, Russell, Hermon, Edwards, and Pitcarin in St. Lawrence County, and Diana and Croghan in Lewis County.

During construction, electrical customers will not have their service disrupted. Both phases of the rebuilt transmission lines are expected to be completed in 2023.

The Smart Path project is necessary to rebuild facilities that are well past their serviceable lifetime to make them more resilient and reduce maintenance costs. The rebuilt transmission lines are needed to deliver electricity, including carbon-free hydroelectric power, from Northern New York to the rest of the State; to re-energize the bulk electric system as a component of NYISO's System Restoration Plan, in the event of a future widespread outage; and to provide increased capacity for future expansion to meet New York's clean energy targets.

In addition to the second phase of the Smart Path project, the Commission approved New York Transco's Rock Tavern to Sugarloaf project.

The project, valued at approximately $100 million, includes replacement of an existing 115-kV 12-mile overhead transmission line and associated transmission towers on an existing right-of-way in the Towns of New Windsor, Hamptonburgh, Blooming Grove, and Chester in Orange County, as well as station upgrades. This project is needed in connection with a larger transmission line upgrade known as the New York Energy Solution owned by New York Transco. The New York Energy Solution project is designed to provide additional transmission capacity to move power from upstate to downstate. The Rock Tavern to Sugarloaf project is to be operational by December 2023.

Commission Takes Additional Action on Landmark Power Grid Study

In January, the Commission issued an order based on offshore wind recommendations from the Power Grid Study that was conducted pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act of 2020. The order modifies future offshore wind energy procurements; seeks detailed plans from 1

Company of New York Inc. (Con Edison) for a wind energy interconnection hub; and establishes a technology working group to test and deploy advanced transmission technologies.

The Accelerated Renewable Energy Growth and Community Benefit Act directed the Department, in consultation with State authorities, the utilities, and NYISO to conduct a power grid study to identify the distribution and transmission infrastructure needed to enable the State to achieve the goals established in CLCPA. The act also required the Commission and the State's utilities to develop and implement plans for electric transmission and distribution investments that are necessary to meet CLCPA targets.

The Power Grid Study, filed in January 2021, includes a report on local transmission and distribution upgrades necessary to achieve CLCPA targets; a study of offshore and onshore bulk power transmission infrastructure scenarios, and related environmental permitting considerations, to illustrate possible solutions to integrate the mandated 9,000 MW of offshore wind; and analysis of transmission, generation, and storage options for achieving 70 percent renewable generation by 2030 and a zero-emissions grid by 2040.

The Commission focused on the study's recommendations for offshore wind integration and also recognized the potential benefits of creating a shared 'mesh' offshore system to handle energy injections from multiple offshore wind generating projects and directed NYSERDA, to require future offshore wind proposals to be designed with the optional capability to interconnect with a meshed system if the Commission were to later recommend such configurations.

In addition, the Commission directed Con Edison to submit the details of an onshore hub that would include availability of points of interconnection in lower Manhattan for 5 to 6 gigawatts of offshore injections.

The order also addressed the need to accelerate the adoption of advanced transmission technologies. The Commission established a working group to assess advanced transmission technologies that can help achieve CLCPA targets at reduced cost and directed the utilities to identify pathways to implementing such technologies across the State, with a progress report due in six months.

INDIAN POINT NUCLEAR POWER PLANT

Indian Point Nuclear Power Plant (Indian Point) on the eastern shore of the Hudson River in Westchester County was closed as planned on April 30, 2021.

The 2,000-megawatt nuclear power plant, located 24 miles north of New York City, presented numerous threats to the safety of the over 19 million people who live or work in the New York metropolitan area and its environmental health.

Decommissioning, the radiological clean-up, and the dismantling of a nuclear facility is extremely demanding, both technically and financially. Accordingly, the Nuclear Regulatory Commission (NRC) requires that nuclear facilities establish and maintain funding to pay for facility decommissioning following closure. In the case of Indian Point, portions of its three decommissioning trusts were capitalized by New York ratepayers through electricity bills.

Holtec International (Holtec) obtained the NRC's approval to use the trust money to conduct the required radiological decommissioning, and to fund spent fuel management and site restoration. Of the approximately $2.4 billion of aggregated decommissioning trust funds, Holtec estimated it would spend more than $630 million for spent fuel management alone, raising concerns whether the remaining funds were adequate to conduct safe and comprehensive decommissioning at a site known to harbor substantial contamination.

The Joint Proposal to resolve the ongoing Commission proceeding and address the State's concerns is intended to ensure that adequate funds are available to complete the project subject to State oversight.

The Indian Point Closure Task Force worked with local governments to mitigate local tax and workforce impacts, and the State stands ready to continue assisting local governments in that effort.

The Decommissioning Oversight Board was established to advise on and assess how to protect the financial, environmental, and physical interests of the communities affected by decommissioning, including the interests of the current workforce as it relates to continuing the public safety of the surrounding communities.

In May, the Commission approved the sale of Indian Point to Holtec International subsidiaries. The Commission approved a negotiated agreement by the State of New York, County of Westchester, local governments, Public Utility Law Project, Riverkeeper, Entergy, the former owner of Indian Point, and Holtec, which provided for the transfer of the nuclear power facility to Holtec for a swift, complete, and safe decommissioning and site remediation.

The long-term trajectory ensuring the State's greenhouse gas emissions reductions targets are met remains on track. Indian Point's closure had been anticipated by State energy planners for more than a decade, and the plant's continued operation was therefore not included in the State's greenhouse gas emissions reduction plans. New York State generators must continue to comply with the Regional Greenhouse Gas Initiative's carbon cap, ensuring the region's emissions will continue to decline after Indian Point closes.

Indian Point’s Entergy employees were offered jobs at other facilities, and the State continues working with affected workers to gain access to new jobs in the power and utility sector.

Tax payments from plant owner Entergy remained in place through 2021 and then will ramp down gradually following closure. In addition, the taxing jurisdictions may be eligible to receive seven years of financial assistance from the State's power plant cessation mitigation program administered by Empire State Development. Additionally, at the request of the Indian Point host communities and others, the Commission adopted a stable funding mechanism that provides a longer-term funding source for the program should local communities continue to need that support.

New York is part of the regional cap and trade program, and the State will be staying under the emissions cap, which declines 30 percent between 2021 and 2030 over that time-period. Emissions, specifically CO_2 emissions, have reduced consistently over time due to increased efficiency of the grid as a whole. This includes the addition of renewables, the retirement of less efficient generation, the installation of more efficient conventional generation, and more efficient energy usage. The long-term trajectory of reducing emissions remains on track.

State-supported additions of energy efficiency and renewable energy since 2011 make up more than the generation capacity at Indian Point. New York continues its nation-leading renewable energy buildout comprised of nearly 100 large-scale solar, land-based wind, and offshore wind projects awarded by the State that will add nearly 11,000 megawatts of clean power to the grid -- enough to power over five million homes -- and builds on the more than 150,000 jobs in New York's clean energy sector.

Once these projects are complete, combined with the State's commitment to building out new green energy transmission infrastructure, more than half of New York's electric capacity will come from renewable sources, putting the State ahead of schedule toward reaching its goal of 70 percent renewable energy by 2030.

To date, 730 megawatts of transmission improvements and energy efficiency are in-service via the Public Service Commission's Indian Point Contingency Plan, and more than 20 large-scale renewable energy projects will be under construction across New York State.

The joint proposal approved by the Commission addressed the State's concerns that adequate funds are available to complete the project subject to State oversight. Under the agreement, Holtec is required to adhere to a robust suite of financial and administrative provisions, including management costs.

In October, Governor Hochul announced that the State awarded $15 million for local infrastructure projects, job training, decommissioning monitoring, and environmental research in the host communities. This was made possible by New York's legal settlement with Entergy, the former owner of Indian Point, as part of its 2017 agreement.

The Commission is pleased to have played a role in the successful shutdown of Indian Point. It has been a long effort, but well worth it in terms of the removal of the danger that the plant posed to New York State.

Award notification letters were sent to the Town of Cortlandt, Village of Buchanan, Historic Hudson Valley, Teamsters Local 456, Hendrick Hudson School District, and Hudson River Foundation.

To support the planning of four intermunicipal sewer projects, including the refurbishing and expansion of the Buchanan Wastewater Treatment Plant and the connection of a new sewer district in Montrose, designed to leverage up to approximately $10 million in additional State monies. This is an example of the State working collaboratively with the local taxing jurisdictions, legislators, unions, and community leaders to responsibly transition the region's economy following the plant's closure in April 2021.

This year's enacted budget included sufficient funding authorization to provide seven years of transitional grant assistance to the County of Westchester, Town of Cortlandt, Village of Buchanan, and the Hendrick Hudson School District under the State's Electric Generation Facility Cessation Mitigation Program administered by Empire State Development.

More than $100 million is projected to be awarded over seven years to these taxing jurisdictions, providing time to adjust to the loss of approximately $32 million per year.

APPENDIX: BUDGET HIGHLIGHTS

The FY 2022 Enacted Budget totaled $111,760 million for the Department, an increase of $5.4 million from the FY 2021 Budget. The Enacted Budget supported a workforce of 528 employees for the Department, an increase of 37 FTE.

All Funds Appropriations (Dollars)

Category	Available 2019-20	Appropriations 2020-21	Change	Re-Appropriations 2020-21
State Operations	$106,336,000	$111,760,000	$5,424,000	$5,500,000
Aid to Localities	$5,750,000	$5,750,000	0	$5,453,000
Total	$112,086,00	$117,510,000	$5,424,000	$10,953,000

All Fund Types Projected Levels of Employment by Program Filled Annual Salaried Positions

Program	2019-20 FTES	2020-21 FTEs	FTE Change
Administration			
Special Revenue Funds- Other	61	65	4
Regulation of Utilities			
Special Revenue Funds- Federal	22	22	0
Special Revenue Funds- Other	408	441	33
Total	491	528	37

Empire State Plaza
Photo by Jean M. Simmons

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