The New York State Public Service Commission (Commission) oversees electric, gas, steam, water, and telecommunications utilities. A critical function of the Commission is to ensure safe, secure and reliable service at just and reasonable rates.

Over the past several years, the Commission adopted several Orders that continue its long history of protecting access to services for those who may face financial difficulties. As part of the Low Income Affordability proceeding, the Commission approved measures to strengthen and improve low income energy affordability programs. In addition, under a Retail Access proceeding, the Commission took steps to protect vulnerable customers from unfair business practices and high rates currently found in the energy services industry, and more recently took steps to strengthen consumer protections to residential and small non-residential (mass-market) customers.

- **Low Income Affordability Proceeding**

  There are an estimated 2.3 million New York households with income levels at or below 200% of the Federal Poverty Level (FPL). Historically, low-income customers experience energy costs that can be in the range of 10 to 20 percent of their income or higher, in contrast with middle and higher-income customers whose energy costs are generally one to five percent of income. While all major electric and gas utilities in New York State offer low-income energy discounts, the programs currently reach only a portion of the eligible customers - approximately 1.03 million households. In 2016, the Commission adopted an Order that provides a regulatory policy framework for addressing low-income customer needs. The Low-Income Order takes the following actions:

  - Adopts a policy that an energy burden at or below 6% of household income shall be the target level for all New York State utility low-income customers. The “energy burden” is the percentage of a customer's income that is spent on energy.
  - Utilizes and coordinates all available resources in a holistic approach. DPS Staff has worked with other government agencies to create an inter-agency task force in order to achieve greater program coordination.
  - Establishes new partnerships and new ways for utilities to identify and enroll all of the 2.3 million households with income levels at or below 200% of the FPL.
  - Directs all utilities to open their low-income discount programs to all households that currently receive a Home Energy Assistance Program (HEAP) benefit, regardless of fuel or benefit type.
  - Establishes a process for setting rate discount levels which varies based on need. Utilities will be allowed some flexibility in designing discounts. However, alternatives must be shown to accomplish the same results, and leave no class of participants underserved.
- Automatically enrolls participants of utility discount programs in budget billing. Customers will have the ability to opt out of the billing program.

- Establishes a funding limit such that the total budget for each utility may not exceed 2% of total electric or gas revenues for sales to end-use customers.

- Continues arrears forgiveness programs for utilities who see value, but does not require them. A limit of funding for arrears forgiveness programs of no more than 10% of the budget is imposed.

In August 2021, the Commission enhanced the low-income programs by adopting certain modifications to the existing policy including expanding eligibility to other public assistance programs, other than just HEAP for upstate utilities. It also modified the discount calculation to more accurately reflect customer circumstances, which results in more appropriate discount levels. The Commission also recognized the impact of the COVID-19 pandemic on customer financial circumstances and ordered that the current discount levels offered by the utility programs will not decrease through November 2022.

As a result of the adopted modifications, the new low-income budget statewide is $367 million, an increase of approximately 54% to existing programs. The program will be paid for by all classes of customers; however, the specific mode of cost recovery will be determined in rate cases, where the total impacts of all revenue requirement changes can be considered.

➢ Retail Markets Proceeding:

In 2016, the Commission issued an Order instituting a moratorium on ESCO enrollments and renewals of consumers who participate in low-income assistance programs. This action will help low-income customers manage their energy burden by ensuring energy is affordable and that New York’s most vulnerable customers are not paying any more than necessary for gas and electricity. On December 12, 2019, the Commission issued an Order Adopting Changes to the Retail Access Energy Market and Establishing Further Process to strengthen protections to mass-market customers. Among other modifications to the retail energy market, the Order:

- Increases ESCO accountability by enhancing eligibility criteria and implementing other changes in the eligibility process;
- Empowers customers by improving transparency of ESCO product and pricing through an on-bill comparison of ESCO to utility commodity prices and through required itemizing of ESCO charges;
- Prohibits ESCO product offerings that lack energy-service-based value by adopting restrictions on the types of products and services ESCOs are allowed to offer mass-market customers.

The December 2019 Order also established additional process requirements to further safeguard utility consumers through a Track II collaborative currently underway.

Information regarding the Low Income Proceeding and the Retail Markets Proceeding can be found on the Department’s web page at www.dps.ny.gov. All documents filed by parties, correspondence, hearing transcripts, and documents issued by the Commission are posted on the site under the associated case numbers. The Low-Income Proceeding can be found under case number “14-M-0565” and the Retail Markets Proceeding can be found under case number “15-M-0127.”