10-13-2022 - NYS PSC Monthly Meeting

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

MONTHLY MEETING

Thursday, October 13, 2022

10:31 a.m. until 12:53 p.m.

Empire State Plaza

Agency Building 3, 19th Floor Boardroom

Albany, New York

COMMISSIONERS:

RORY M. CHRISTIAN, Chair

DIANE X. BURMAN

TRACEY A. EDWARDS

JAMES S. ALESI

JOHN B. HOWARD

DAVID J. VALESKY

JOHN B. MAGGIORE

MICHELLE L. PHILLIPS, Secretary

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(The meeting commenced at 10:31 a.m.)

CHAIR CHRISTIAN: Good morning everyone. I call this session of the Public Service Commission to order, Madam Secretary, are there any changes to the final agenda?

SECRETARY PHILLIPS: There are no changes to the final agenda.

CHAIR CHRISTIAN: Thank you. I will conduct a roll call of the Commissioners, when I call your name, please confirm that you are with us today. Commissioner Burman.

COMMISSIONER BURMAN: Present.

CHAIR CHRISTIAN: Commissioner Alesi.

COMMISSIONER ALESI: Here.

CHAIR CHRISTIAN: Commissioner Edwards.

COMMISSIONER EDWARDS: Here.

CHAIR CHRISTIAN: Commissioner Howard.

COMMISSIONER HOWARD: Here.

CHAIR CHRISTIAN: Commissioner Valesky.

COMMISSIONER VALESKY: Here.

CHAIR CHRISTIAN: Commissioner Maggiore.

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COMMISSIONER MAGGIORE: Here.

CHAIR CHRISTIAN: Thank you. I want to first start with item 201, our first item for discussion today, case 22-M-0247 related to the report on electric and gas supply readiness for the upcoming winter. Today's presentation will be provided by Tammy Mitchell, Director of Office -- Director of the Office of Electric, Gas, and Water with Dave Maioriello, Shahriar Chowdhury, Andrew Timbrook and Maribel Rivera.

In addition, we'll have Chris Stolicky and Paul Darmetko available for questions. Tammy, please begin.

MS. MITCHELL: Thank you. Good morning, Chair Christian, and Commissioners. Today staff will be briefing you on the results of our annual investigation into the readiness of the State's natural gas and electric utilities for the coming winter. I'll give you a brief overview of the item and then turn it over to staff for the full presentation.

Next slide please. The presentation will consist of four components which will be presented by various staff from the Office of

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Electric, Gas, and Water and the Office of Consumer Services. First will be a report on the readiness of the State's natural gas utilities, including projected prices and a brief status update on the gas planning proceeding which will be presented by Dave Maioriello.

Second will be a report on the readiness of the State's bulk electric system, including staff's review of electric generators, on-site storage, and replenishment plans for backup fuels presented by Shahriar Chowdhury. The third component will be the projection for electricity supply bills, as well as the electric utilities' hedging performance and portfolio in place for the coming winter presented by Andrew Timbrook.

And the final component will be a discussion of outreach efforts underway to inform and assist utility customers during the upcoming winter season, presented by Maribella -- Maribel Rivera. Overall, staff's investigation found that both the New York State natural gas and electric systems are prepared to meet customer needs for the upcoming winter.

With respect to expected prices this

winter, as you will see later in the presentation, prior to last year natural gas prices had remained relatively low and stable over the past decade. Over the past two years, natural gas commodity prices have increased significantly, driven primarily by global increased demand for natural gas.

As a result of surging gas supply prices, both gas and electric commodity prices and customer bills will be higher this winter compared to last winter. These increased commodity prices are not unique to New York State, but are in fact being experienced nationally and globally. Both gas and electric utilities have employed their hedging practices in advance of the winter which will reduce volatility of bills during the winter period.

However, because gas prices are rising and the components that make up the hedges, such as contracts and physical storage are more costly this year, overall prices will be higher this winter compared to last. I'll now turn it over to Dave Maioriello.

MR. MAIORIELLO: Thank you, Tammy. Thank you, Tammy. Next slide, please. Good morning, Chair Christian, and Commissioners, I am Davide

Maioriello and I serve as a utility engineering specialist in the gas system planning and reliability section with the Office of Electric, Gas, and Water.

I will brief you on the results of our annual review into the readiness of the State's natural gas utilities for the coming winter and the status of long-term gas planning effort. Next slide, please. Staff's review includes forecast, demand, design weather conditions for this winter, in that both the needed gas supply and capacity is in place for expected firm customer requirements.

Now and over the winter heating season, staff will continue to monitor supply conditions for any issues that may arise including price fluctuations and any pipeline disruptions that may occur, along with performance of our local distribution companies or L.D.C.s, demand response customers including those that take interruptible service.

Based upon our review regarding natural gas supply readiness for the upcoming winter season, staff concludes that the L.D.C.s serving New York State will complete their contracting for adequate natural gas supply, delivery capacity, and storage inventory to satisfy current firm customer demands on the design winter conditions for this winter.

Staff continues to communicate with oil industry representatives, the New York State Energy Research and Development Authority or NYSERDA, and the L.D.C.s to ensure that interruptible -- interruptible customers have access to adequate supplies of winter heating fuels. This includes coordinating calls ahead of cold weather events.

Also, as directed by Chair Christian in his recent letter, the L.D.C.s have been proactive in ensuring interruptible customers are prepared by enhancing communications with dual fuel customers in alternate fuel inspections. Next slide, please.

As a way of background, each utility has a unique mix of assets including pipeline capacity, storage, and peaking contracts that are necessary and used to serve a mix of firm customers during designed day conditions and extreme cold weather events.

Interruptible customers are those that have the ability to stop natural gas usage during periods of high demand are important providers of demand response service and reduce the amount of pipeline capacity needed to serve the winter load.

Recent filings made by the L.D.C.s focus on the use of demand site management, including energy efficiency, demand response, and other non-pipes alternatives to meet growing demand, especially in areas where local governments seek to phase out fossil fuels.

Even though every L.D.C. stated no additional moratoria is expected in the near future, we continue to monitor areas of the State where the existing distribution system is constrained, which includes New York City and the Capital District. Next slide, please.

A gas customer's utility bill is comprised of several components as listed here. These components include the delivery charge or cost of the pipeline infrastructure to deliver the gas. The cost of gas supply is collected through the gas adjustment charge, the gas supply, excuse me, the gas supply charge represents approximately 54 percent of the average Statewide bill for this coming winter.

It is important to note that L.D.C.s do not earn a return on supply costs. The gas bill also consists of other surcharges and taxes. Next slide, please.

As part of our -- of the annual procurement planning for the upcoming winter, gas L.D.C.s procure both natural gas supplies, and pipeline capacity, as well as other contracts for peaking, and C.N.G. supplies to meet the overall firm customer demand. For this upcoming winter season, the L.D.C.s are expecting gas prices to be significantly higher than last year and similar to prices experienced in 2008-2009.

Based on analysis from the -- from the U.S. Energy Information Administration or E.I.A., there are multiple factors influencing domestic gas market prices resulting in increases. World events, energy system disrupt -- disruptions in Europe, and the build out of L.N.G. export capacity from the U.S. has increased demand and has put considerable price -- price pressure on the U.S. natural gas market.

Additionally, increased reliance on gas-fired electric generation instead of coal, across the U.S. has also impacted gas markets, while the country transitions to more renew -- to more renewable solutions. Next slide, please.

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Flowing and hedged gas price forecasts are both influenced by the trading on the New York Mercantile Exchange or NYMEX and international markets. This chart shows natural gas prices rel -- relatively low for over a decade and have increased over the past two years. Next slide, please.

The L.D.C.s purchase gas supply -- purchase gas to supply their customers' winter needs in three ways. This is represented by the pie chart on this slide. The first is by physically filling their natural gas storage facilities during the summer when demand is low. The second way is by financial hedging, which acts like an insurance policy to protect against high volatility of the gas price.

The third way is by purchasing at the prevailing market price which fluctuates day to day with market forces and is called flowing gas. This year all three gas supply components are forecasted to be higher than last year.

As seen in the slide, the forecast of supply prices for the upcoming winter is $7.05 per dekatherm compared to the actual average price of $4.58 per dekatherm last winter. It is important to note that actual weather can have a significant impact on supply prices. Next -- next slide, please.

For this winter season, we expect the average residential customer's winter heating bill to be about $1,201, a 29 percent increase assuming normal weather, but this varies by utility with the individual L.D.C.s -- L -- L.D.C. bill impacts typically ranging from a low of 20 percent to a high of 43 percent.

This is higher than last winter due to gas price increases discussed earlier and also in part due to the fact that last winter was warmer compared to typ -- typical weather. Additionally, some of the L.D.C.s have increased delivery rates since last winter in accordance with their most recent approved rate agreements. Next slide, please.

This graph shows the relative heating bills over the last 15 years. Bills for this winter are forecast to be the highest customers have experienced since the winter of 2008-2009. Next slide, please. While today's briefing is focused on the coming winter, I would like to briefly mention the Department's gas planning case which has a long-term focus.

Last year, the Commission instituted a generic proceeding to consider issues related to natural gas utility planning processes. It highlighted the declarations of moratoria by multiple gas utilities due to capacity constraints and that existing gas planning and operational practices have not kept pace with recent developments.

It has also noted growing demands on energy systems and that planning must be conducted in a manner consistent with the Climate Leadership and Community Protection Act, known as C.L. -- as the C.L.C.P.A. On May 12th of this year, the L.D.C.s were directed to file long-term plans on the stag -- staggered schedule and implement uniform moratoria procedures.

The new, modern planning processes will allow for extensive stakeholder input. The Department will review and analyze L.D.C.s’ long-term plans separate from the annual winter preparedness review. And staff is now in the process of preparing for the first filing of an L.D.C. long-term plan. Next slide, please.

In conclusion, staff's review indicates that the L.D.C.s serving New York have secured adequate contracts for supplies of natural gas to meet expected firm customer requirements this coming winter. However, staff will continue the traditional monitoring of supply, prices, and interruptible customer compliance throughout the winter, as well as the operations and on interstate pipelines that could impact supply and report any situations that require Commission attention.

Staff will continue to work with the L.D.C.s and interested communities to find innovative solutions to the challenges represented by demand from natural gas and the implications of the C.L.C.P.A. This concludes my portion of the presentation and thank you for your time and attention on these matters. I will be happy to take questions after the panel is finished. Next slide, please. I will now turn it over to Shahriar.

MR. CHOWDHURY: Thank you, Dave. Good morning, Chair -- Chair Christian, and the Commissioners, my name is Shahriar Chowdhury and I am an assistant engineer in the Department's electric safety and reliability section. I'm here today to brief you on staff’s review of the bulk electric system preparedness for the upcoming 2022-2023 winter period.

At the outset, I'd like to say that based upon our review, we conclude that bulk electric systems prepared -- is prepared to reliably meet the State's upcoming winter's electric demands. Next slide, please. This chart shows the summer and winter historic coincident peaks since the year 2000. It also shows that New York State is a summer peaking state and therefore has sufficient available capability to meet loads well above those typically experienced during the winter.

Last winter's actual electric peak load was 23,235 megawatts. This was 2,503 megawatts below the all-time winter peak of 25,738 megawatts and this occurred during a prolonged cold spell during the 20- -- 2013-2014 winter. Electric peak forecast for the upcoming winter period is 23,893 megawatts. It's a little hard to see, but it's there. Next slide, please.

This slide summarizes the resources expected to be available to New York during the winter. These resources include generation, demand response resources called special case resources, and purchases from outside of New York State. These

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resources are offset by expected unavailability or outage of generation resources.

The NYISO expects to have 36,809 megawatts net capacity resources available during the winter to serve the forecasted winter peak load, which again is 23,893 megawatts. Once operating reserves, which are resources available to meet sudden system contingencies, are accounted for, there remains a capacity margin of 10,296 megawatts.

In short, we have sufficient capability to serve the forecasted load during the upcoming winter. Next slide, please. A winter coordination protocol is in place to facilitate communication between State agencies and the NYISO in circumstances where fuel supply for generating facilities may be at risk or if a generator owner needs a fuel specification waiver from the D.E.C. to maintain reliability.

The State agencies involved are the D.P.S., the D.E.C., NYSERDA, and D.O.T. As part of staff's winter assessment, we reached out to major generating facilities -- facility owners in southeast New York who own about 12,000 megawatts of dual fuel generation capability. The dual fuel capability enables generators to burn either natural gas or oil depending on the situation, which can be driven by economics or unavailability of one of the fuels.

Based on our assessment, we expect these facilities will have adequate oil reserves for the upcoming winter. We found that the owners are continuing to implement lessons learned from past winter experience including having adequate prewinter on-site fuel reserves, having firm contacts with fuel oil suppliers, conducting more aggressive replenishment plans, and having more proactive winter maintenance and facilities preparations.

Staff also met with the NYISO to discuss these procedures and protocols for maintaining electric reliability during the winter period. We found that NYISO closely monitors generator fuel levels and repress -- replenishment plans by conducting weekly surveys with generator owners. In the event that an extreme cold spell is forecasted, the NYISO has the ability to conduct more frequent surveys to determine if fuel availability issues might arise.

In addition, the NYISO has communications with interstate pipelines, local gas distribution companies, and neighboring I.S.O.s during a period of tight electrical operating conditions. That concludes my presentation, I will now turn it over to Andy Timbrook, thank you for your time. Next slide, please.

MR. TIMBROOK: Good morning, Chair Christian, good morning Commissioners, my name is Andrew Timbrook and I am a utility engineering specialist in the Office of Electric, Gas, and Water in the Upstate rates and tariffs section.

As Tammy mentioned, I'll be providing you with information on how the utilities have performed at reducing the electric supply price volatility for their full-service residential customers, talk a little about the statewide portfolio that the utilities have in place this winter, discuss how this winter's futures prices compare to last winter's futures prices and actual market prices, and finally provide you with an estimate of what the Statewide average full-service residential customer supply bill may look like this coming winter compared to the last few years, assuming we experienced normal weather.

Can I have the next slide, please?

This graph shows the results of the utilities electric supply price volatility and mitigation efforts since December 2008. It compares the average New York I.S.O. day-ahead market price volatility, which is the red line with the volatility of the utilities residential electric supply portfolios, which is the blue line.

Each point represents the price volatility over a 12-month period as measured by the coefficient of variation. The high point you see on the graph represents the volatility that was experienced due to the 2014 polar vortex, which resulted in a significant increase in market prices and price volatility.

Even though customers benefited from the hedges the utilities had in place, the bill impacts that customers experienced were still high, but not as high as they would have been absent the utilities hedging efforts. As a result of the lessons learned from the 2014 polar vortex, the utilities modified certain aspects of their hedging programs going forward.

These changes generally included increasing the fixed price hedge level for the residential supply customers during the winter months from about 55 percent to 70 percent on a Statewide average basis, as well as maintaining multiple portfolios to better hedge their customers located in different regions of their service territories.

As you can see from the chart, the utilities have continued to perform well at reducing the portfolio volatility compared to the market. Similar to the last few years, the utilities have maintained on average a 70 percent fixed hedge level for this coming winter, which they have entered into over the last few years to mitigate market price volatility.

As you may recall last winter, some of Con Edison's full-service mass-market residential customers experienced significant month to month bill changes due to the way its end use supplier mechanism was structured. Since then, the Commission approved modifications to its mechanism.

CHAIR CHRISTIAN: One -- one moment, please while we address that issue. I just want to confirm that Commissioner Edwards and Commissioner Maggiore are on the line.

COMMISSIONER MAGGIORE: Can you hear

us?

CHAIR CHRISTIAN: We can hear you, just wanted to make sure we're still connected, thank you. Okay, please continue, Andrew.

MR. TIMBROOK: So since then, the Commission approved modifications to its mechanism, which better align its hedges with the market and allow it to spread large reconciliations from prior periods over more than just a single month.

These changes will further mitigate month-to-month price swings for Con Edison's full-service mass-market customers and better align Con Edison's supply rate mechanism with the majority of the other utilities in the State. Next slide, please.

This slide is when we typically only present in prepar -- preparation for the summer season however, with significant increase in energy market prices, we felt it is also relevant for the winter season. The chart shows what the futures prices were just prior to last winter based on intercontinental exchange or ICE market clearing prices which are displayed in green.

What last winter's actual NYISO prices

turned out to be, in blue, and what the projected prices are for this winter again, based on NYISO futures, in red, for three NYISO zones in New York City, Hudson Valley, and West or NYISO zone J., G., and A., respectively.

As you can see last winter’s actual prices turned out a lot higher -- a little higher than what was expected which is mainly due to a cold snap that occurred in January. This winter, the futures prices are significantly higher than last winter's actuals by almost 130 percent in some of the zones.

As Dave explained earlier, this is mainly due to the expectation of high generator fuel prices as compared to last year. Customers that are not full-service mass-market customers and do not have a hedge supply portfolio are expected to see the supply portions of their bills increase more in line with these projected market price increases than those customers who are protected by the utilities’ hedging programs. Next slide, please.

This slide compares the last several years of the Statewide average full-service residential winter supply bill assuming typical use in the winter months of 600 kilowatt hours per month or 2400 total kilowatt hours over the entire winter season from December through March, to what we estimate the typical supply bill may be this winter -- this winter season if we experience normal weather.

With the increase in supply costs from last year, on average supply costs are expected to represent about 50 percent of a typical full-service residential customer’s total bill, the rest of the bill being delivery and surcharge related.

These non-supply portions of the bill typically only change with customer use or when the Commission approves changes in rates through various proceedings. The supply portion of the bill is more volatile and fluctuates with customer use, changes in the NYISO market prices, as well as the utilities’ hedge portfolio compositions.

As you can see, at this point going into the winter season, we project that on a Statewide average basis the typical full-service residential supply bill will be about 42 percent higher than last winter, which is mainly due to increasing generator fuel prices for the reasons Dave discussed previously.

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Because this chart shows the Statewide average supply bill, full- service residential customers should expect their actual bills to differ from what is shown here based on their actual energy use, their location within the State, the utility they are served by, as well as differences from normal weather.

The purpose of this chart is to provide what the trend has been, and to provide an estimate of where supply costs are expected to head this winter. If it is a mild winter, we would expect the Statewide supply -- Statewide average supply bill to be lower and if it is a colder than normal winter, we would expect this -- the bill to be higher than what is shown here, although still mitigated by the utilities’ hedges.

That said, the estimated supply portion of the typical full- service mass-market residential customer bill could range from an increase of about 5 percent to approximately 70 percent based on current projections. As the prior slide showed the western part of the

State is not expected to see supply prices rise to the same magnitude as those NYISO zones in the East.

This trend is expected to carry on to full-service mass-market residential supply bills as well with customers in the West expected to see supply prices increase below the average and customers to the East being around or above the average. But again, these are estimates and actuals will likely vary.

In closing today, if we experience normal weather, it is projected that the full-service statewide residential supply bills this winter season will be much higher than last winter. However, the utilities have taken steps to mitigate supply price spikes for their full-service mass-market residential customers in the event the weather does turn cold, or if other system conditions occur that would cause the market price of electricity to spike, by maintaining an approximately 70 percent fixed price hedge level for this winter season.

That concludes my portion of the presentation, we can go to the next slide and I will turn it over to Maribel Rivera. Thank you.

MS. RIVERA: Thank you, Andrew. Can you hear me? Good morning, Chair Christian, and good morning Commissioners, my name is Maribel Rivera, and I am a manager in the Department's Consumer Outreach and Education and Call Center sections in the Office of Consumer Services.

This past few years New Yorkers have dealt with significantly higher energy prices that have increased their utility energy bills. As a result both Department staff and the major electrical and natural gas utilities have been proactively communicating with consumers about the supply price volatility and the impacts on energy bills, as well as the information on available resources to assist with those increased bills.

As discussed in the previous slides, energy prices are likely to remain a concern for this winter period, while this year -- while this year has seen historic bill relief efforts provided to low-income households. There are still vulnerable consumers such as the elderly and households with low to moderate income or L.M.I. consumers who need information about managing their energy usage, lowering their bills, and finding available resources.

This report describes the outreach

efforts by Department staff and New York State energy utilities to provide consumers with information to help them manage their energy usage during the 2022-2023 winter season. Next slide, please.

Considering the impact of inflation, current world events, and the forecast of winter commodity prices, it is critical that the Department and New York energy utilities pursue aggressive winter preparedness campaigns, including promoting the following key messages. Number one, that the forecast price of energy and how market forces such as supply and demand affect natural gas and electric rates.

Two, ways that consumers can manage their winter bills, including budget billing, deferred payment agreements, and financial assistance programs, such as the Home Energy Assistance Program, known as HEAP or the Utility Administered Energy Affordability Programs and the Electric and Natural Bill -- Natural Gas Bill Relief Program.

Three, consumer protection rules that protect households from service terminations during cold weather, as well as resources available to assist consumers faced with heat-related energy emergencies.

Four, promoting the availability of energy efficiencies and weatherization programs, as well as simple, affordable measures consumers can take to stay warm and reduce energy use, which may help to control their bills. And five, safety information regarding natural gas, electricity, carbon monoxide, and storm related service interruptions.

First, I will explain the outreach and education efforts that the Department staff will be conducting, and then I will explain how Department staff is working with utility companies to encourage them to maintain robust and strong outreach and education efforts prior to and during this winter period. Next slide, please.

To reach utility consumers with these important messages, Department staff will conduct a winter outreach and education campaign using a variety of tools. Department staff will use a combination of multilingual winter publications, event exhibits and presentations, virtual platforms such as the Department's website and the social media channels, and the partnerships with other state agencies, service organizations, and local governments.

Specifically, we will distribute plain language publications that highlight our core messages. All winter campaign publications will be available in English and Spanish and many will also be available in Arabic, Bengali, Chinese, French, Haitian Creole, Italian, Korean, Polish, Urdu, and Yiddish.

Department staff distributes these materials through our grassroots outreach programs which includes in-person and virtual presentations to our community groups and inter-agency forums, as well as exhibits at public events such as at senior expos, health fairs, and home shows.

Participation in these events provides us with an invaluable opportunity for face-to-face interactions with large numbers of consumers and allow us to reach diverse and otherwise underserved populations. Department staff will work with our partner organizations to identify events and in disadvantaged communities where we can share valuable information to assist these consumers.

To further increase our efforts to

reach New York State consumers and make our information more accessible, Department staff developed a dedicated winter page on the Ask P.S.C. website with winter preparedness information, digital copies of our Department publications, link to New York State and Utility Assistance Program, as well as energy efficiency and winter safety tips.

In addition, we will utilize the Department's social media channels to promote these messages throughout the winter months. Department staff will post tips and sound bites on these platforms and drive traffic to the Ask P.S.C. winter page.

Lastly, we will provide training on the winter outreach and education campaign to the Department's call center staff, as they will be able to help with consumers with information about winter preparedness, energy assistance programs, energy efficiencies, consumer protections, and low cost ways to save on winter energy bills. Next slide, please.

To help us reach as many New Yorkers as possible, Department staff partners with our network of over 7,000 consumer leaders including social service agencies, community organizations, libraries, and local government officials.

Department staff provides the consumer leaders with access to all of our winter preparedness information and invites them to partner with us in educating their constituents about available resources, ways to mitigate rising energy costs, bill management options, financial assistance programs, and measures to reduce energy consumption.

Department staff will also notify our partners about the start of our winter campaign. This notice will direct our partner community leaders to the dedicated Ask P.S.C. winter page where they will find digital copies of all of our publications that may be downloaded and shared with their constituents.

Department staff will also share a flyer with a Q.R. code that directs users to our webpage and can be posted in high traffic areas. Lastly, the notice will inform our partners that Department staff is available to provide presentations upon request. To track the reach of our messaging, Department staff will monitor the open rate of our email campaign and follow up with the community leaders that did not open our email.

In addition to distributing publications and educational materials, Department staff will again host a one-stop-shopping workshop for elected officials and interested consumer groups. Last winter Department staff held five virtual workshops with the other New York State agencies that were attended by over 500 participants.

This year, Department staff will conduct a combination of in-person and virtual workshops and invite our partner agencies and local officials to participate and achieve maximum penetration of our joint messaging.

The in-person workshops are planned for the early months of the winter season and will focus on raising awareness of the financial assistance programs such as Heat Utility Administered, the Energy Affordability Programs, and the Electric and Gas Bill Relief Program.

The reinforced winter messaging such -- sorry, excuse me, the virtual workshops will be held early next year during the colder months to reinforce winter messaging such as emergency assistance and continued energy measures.

To extend the reach of the workshops

messaging, the Department staff will post a winter workshop recording on the Ask P.S.C. winter page and the Department's YouTube channel. Presentation materials will be sent to attendees for use in their own outreach programs. Next slide, please.

In addition to the Department's in-house outreach program, Department staff is encouraging utility companies to maintain strong consumer education programs so that their customers receive the information and assistance they need during the coming winter months.

All major utility companies have outreach and education plans to alert customers about anticipated commodity prices, actions the companies have taken to mitigate price spikes, and ways consumers can conserve energy and manage energy bills through the plane -- payment plans and financial assistance programs.

The companies’ plans also promote enhanced messaging regarding their energy affordability programs and the Electric and Gas Bill Relief Program in order to maximize enrollment of eligible customers. Excuse me. In response to the higher energy costs during 2022, the utilities companies increased the frequency of messaging, and broadened their outreach channels to raise awareness of energy price forecasts, the factors which affect supply pricing, and the impacts on customers' bills.

The companies will continue with their enhanced outreach efforts in the upcoming winter season. The utility companies are using a variety of channels to reach their customers, including email campaigns, text alerts, news releases, radio and paid media ads, bill inserts, and bill envelope messaging, postcards, newsletters, on-hold telephone messages, point of sale messaging, and their, excuse me, website features, YouTube videos, and social media posting.

Some utilities alert customers about their energy usage and offer tips, energy saving actions that can help reduce their bills. The utilities -- companies also work with municipal and elected officials, partner with human service organizations and community groups, and conducts grassroots activities such as virtual and in-person events and forums.

Lastly, the companies provide training to their consumer advocates and call center staff on winter messaging and customer assistance. Department staff organized a collaborative meeting for mid-October to provide an opportunity for utilities to share what they're doing to educate their customers regarding the upcoming winter season and discuss best practices.

In conclusion, the Office of Consumer Services is pursuing a winter outreach and education campaign designed to raise awareness of New York's winter price supply, excuse me, winter supply and demand outlook and price forecasts. The campaign will ensure that consumers have access to information about actions and programs that will help them manage winter energy bills, use less energy, and stay warm.

Department staff will continue to monitor the need for additional outreach and education efforts during these uncertain times. Department staff will work with utilities to make modifications as needed throughout the winter season. Next slide, please. I will now return our presentation back to Tammy, thank you.

MS. MITCHELL: Thank you, Maribel. Chair Christian and Commissioners, this concludes our presentation on natural gas and electric utility winter preparedness and we're now available for any questions you may have.

CHAIR CHRISTIAN: Thank you, Tammy and thank you everyone for that presentation. I do have a few questions, just want to amplify a few points, and clarify a few things. Earlier in the presentation, we were talking about the impact on gas prices, I want to understand, would the current increase in prices that we're experiencing on natural gas, would that increase be lessened if we had additional pipeline capacity in this region?

MR. STOLICKY: I'll take a stab at that. To answer this question, we will need to separate natural gas supply from natural gas pipeline capacity. There is more than sufficient natural gas supply in the Northeast, the issue is the lack of pipeline capacity on the coldest days and the need to purchase peaking supplies during those cold days.

There're really only about 60 days or so in a typical year where prices will spike. The current price situation is impacted by more than the European situation as Dave mentioned earlier, and then by any issue across the U.S. L.D.C.s purchase extremely limited quantities of natural gas at the spot market prices due to hedging and because they are the largest holders of pipeline capacity, are relatively unscathed by volatile market prices.

Additional pipeline capacity would have the effect of bringing down the spot market price somewhat, but it's questionable how much value that would provide on an annual basis. It would make more natural gas available for electric generators in the winter. But right now the State's current policy is to move away from fossil fuel generation, so building more pipelines would probably have limited value.

CHAIR CHRISTIAN: Thank you for that. As a follow-up, Ms. Rivera, you mentioned robust outreach on the part of the utilities and that -- that's been a continuing -- a continuation of our earlier requests this year, would -- would you say all utilities are moving forward with similarly aggressive outreach to customers to inform them of the current pricing situation?

MS. RIVERA: Excuse me, all of the major utilities have maintained the messaging that began in February when the supplier's price first occurred, the utilities have taken specific steps that include the following things. The bill messaging, advising the price of commodity is still high and due to market conditions, and offering consumers payment options for handling their bills.

They're using their websites and their social media posts in order to complete these messaging. They, excuse me, are also using blast emails to their consumers providing links to the sites that will provide them with assistance to the resources available. They're also issuing press releases and those press releases are, you know, being picked up by the news markets in relating the information.

And they have also provided to us the outreach plans that they're going to be doing for the continued summer month, I'm sorry, winter months that are coming and they have something planned for every day and each one of them have something different that they're offering. They have increased the frequency of how often they're going out and sharing the information about the supply volatility.

CHAIR CHRISTIAN: Uh-huh.

MS. RIVERA: These are the common actions that are being taken by the utilities. But that's not the totality of all of their outreach efforts. For example, one of the utilities is engaging in the poverty simulation. They're doing that in order to ensure that internally, their -- their staff is able to completely understand what some of their consumers are going through.

Another utility is going back and doing focus groups on the outreach that's being done to ensure that the outreach that is being done is tailored to meet the needs of the consumers that are reading it. So they're doing -- taking great effort to make sure that their -- that their consumers are being made aware of what's happening with their bills. And they are providing a lot of deferred payment plans, a lot of financial assistance programs. So yes, I believe that they're doing a good job.

CHAIR CHRISTIAN: Okay, thank you. And my -- my final question, you know, I've read a number of reports about the situation in the E.U. and some of them suggest that there are a number of countries that actually may go without natural gas this winter, and that those that retain access will pay markedly higher prices, higher than what we're even experiencing here.

I -- I guess this question is to you, Mr. Maioriello, do you believe -- well, based on the forecast, and the information we have available, and the preparations currently underway, do we run the risk of being unable to provide natural gas to our firm gas customers?

MR. MAIORIELLO: No, we are not. We -- the -- New York is not at risk of ad -- inadequate gas supplies to its firm customers.

CHAIR CHRISTIAN: Okay, thank you for that. So I appreciate the presentation, you know, I think back to a year ago, it's been one year since I became chair and last year's presentation in many ways is very similar to what we're receiving this year, but there's some key differences. Though, we're still focusing on pricing and we still focus on availability of supply, this year we're facing some serious inflationary pressures.

In fact, I've not had a chance to review this morning’s C.P.I., but I've seen and heard that it has not been favorable and inflation is on the rise. We also face recessionary fears and that coupled with ever-increasing energy prices creates uncertainty and that leads to fear. Much of the higher prices we're experiencing domestically and also globally is being driven by that fear and uncertainty.

Fear -- that it's unclear where the energy that's needed to stay warm and power our homes is going to come from. And this winter, according to some reports I've read, you know, those countries in Europe that will go without, they're already resorting to using wood, coal, or other resources to keep their homes warm and I'm happy to hear that we will not face a similar situation here in New York.

And last month, as you mentioned, I reached out to the utilities in New York State ask that they continue to enhance their communications, which thank you for your report, it seems that they are continuing to go forward as requested, making sure customers are aware of the need to both conserve and reach out for help where it is available.

Now in addition to this continued outreach to residential customers, I understand the utilities are also working with power generators to ensure that they have steps, adequate resources in place, alternate fuels, in the event of a gas shortage.

Now in terms of next steps to further reinforce our supply, the Department of Public Service is working with NYSERDA and we'll be meeting with the fuel industry leaders in New York to discuss the current liquid fuels market and various strategies to support building up regional inventories in advance of this coming winter.

The goal was going to be to reinforce existing lines of communication and to ensure our ability to collaborate and respond as conditions evolved throughout the season. Excuse me. So as we continue our preparations to prepare for the winter and ensure adequate supplies, I again want to remind all New Yorkers of the various actions that can be taken to help alleviate the impact of the high prices we expect this winter.

Again, to whatever degree possible, we should be as efficient in our energy use as possible. Through NYSERDA, renters, homeowners can find a litany of tips, tools, and programs to improve the efficiency of their homes. And there's also a variety of State funded programs available that can provide resources where needed.

Ms. Rivera mentioned the HEAP program earlier, which provides up to $976 a year for income-eligible New Yorkers. And all the utilities, as you mentioned, also have a variety of bill payment options, everything from whether they call it balance billing, budget billing, the concept is the same, mitigate potential significant prices, spread it out over several months to lessen the impact on a budget, make it easier to navigate those costs.

So I'm encouraged by what we have in place, I'm thankful for this presentation today. I know we'll always need to be on our toes and do more. But I appreciate you giving us the overview this morning and highlighting how prepared we are for this coming winter. So thank you for that. All right, with that, Commissioner Burman.

COMMISSIONER BURMAN: Thank you so much, I just want to acknowledge Shahriar, it's your first time presenting so --

MR. CHOWDHURY: Thank you.

COMMISSIONER BURMAN: -- I appreciate it. Congratulations for it.

MR. CHOWDHURY: Thank you.

COMMISSIONER BURMAN: I also want to

take a moment to thank Maribel. We spent some time together at the State fair and it was very nice at the booth, at the Public Service Commission D.P.S. booth. And it was very nice to watch you in action talking to the public and folks that came by, a lot of folks were very concerned about their energy bills and you really -- it was really nice to see you in action, talking to folks and walking through things and you know, for me it was helpful to hear how it's presented and the feedback in what you're hearing and so I just want to thank you for that.

MS. RIVERA: Thank you.

COMMISSIONER BURMAN: I enjoyed being there with you, so. I do want to sort of level set a little bit. I am concerned about this winter, as I am every winter and I guess as we look forward, to me I can't disconnect the future winters from the current winter.

And I'm always struck by sort of, from my perspective, how we very much nuance us being set and prepared for the winter, or caveats, are normal weather you know, we don't get into sort of the nitty-gritty about what it might mean for -- from the environmental perspective to be set for this winter in terms of having to utilize oil and other things.

And we also don't necessarily talk about the significant affordability issues in a real sort of direct way and then the challenges of what that means. I would like to ask Mr. Stolicky to reread your ques -- your -- your answer to the question on pipeline capacity, because I do think that that is a very nuanced answer that we need to sort of be careful that we're being as transparent as possible.

MR. STOLICKY: So I think the question was, from the Chair about the price of natural gas versus building gas transmission capacity, and whether adding capacity would help or how that would impact gas prices. And what I tried to do is separate natural gas supply from capacity. Because there is more than sufficient natural gas supply in the Northeast, the issue is the lack of pipeline capacity on the coldest days of the year.

And on those coldest days of the year, L.D.C.s will typically have to purchase peaking supplies. There are only about 60 days or so in a typical year where prices and spot-market prices will spike and the current prices situation is impacted by more than the European situation than by any issue across the U.S.

So New York L.D.C.s purchase extremely limited quantities of natural gas at the spot-market prices due to hedging, and because they are the largest holders of pipeline capacity, they're relatively unscathed by volatile market prices. So additional pipeline capacity would have the effect of bringing down the spot-market prices somewhat, but it's questionable how much value that would provide on an annual basis.

So with additional pipeline capacity, it would make more natural gas available for electric generators in the winter, but the State's current plan is to move away from fossil fuel generation so building more pipeline capacity would have limited value.

COMMISSIONER BURMAN: I think that -- so I think -- first of all, I think the question was a great one and I appreciate your answer. It is a nuanced answer, though and I think we need to own that we have a responsibility to understand the nuances of that which we may, but I don't know that the public necessarily understands that.

I do think that it is important for us to understand that the impacts that our policy decisions have on reliability and coming up right to the edge, and some of those constraint issues have to be really looked at.

We see very much that there's a reliance on -- increased reliance on natural gas for winter electric generation, that's only grown, it's going to -- our State's electric sys -- system is expected to grow and shift to winter peaking so this is going to have an additional impact on what we're doing from the system load perspective.

So I guess I'd like to ask you taking aside sort of the nuanced, right, which is really because of our policies it seems, you know, difficult. And again, I don't want to put words in your mouth, that was the last sentence that really struck me, that's a caveat, because it seems unlikely for us to focus on the pipeline issues because of the policies, it's a chicken and egg issue.

So I guess I'd like to ask, the pipeline constraint issues, how much of a risk is that and how much should we be looking at it in terms of coming right up there and knowing that we're going

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to have some winter peaking issues and again, caveats, not take away the caveats, not normal weather, an event, what's our issue and what's our backup in terms of looking and making sure that we're covered?

MR. STOLICKY: So I think I'll try to -- to -- to answer this from a capacity constraints/system planning perspective. So going back a couple of years ago, the Commission has issued a gas planning proceeding that's designed to dive -- deep dive into long-term gas plans to make sure supply and demand are in line long-term.

Along with that, it -- it's a large stakeholder involved process where there will be an educational component. So there -- there are a broad group of people can have input into the process to try to find a way to make sure that if demand is increasing or decreasing, whichever way it goes, to try to figure out how to meet that demand.

Now, along with that, we are looking at different ways to meet demand. A lot of those are non-pipeline alternatives through rate cases, that's going to be an element of the gas plans. We also know that under the C.L.C.P.A., there -- there's --

there's an effort to reduce that gas demand. So all those will be part of the conversation. Under the long-term forecasts, the existing capacity coming into the systems will be evaluated and that'll be part of the discussion.

COMMISSIONER BURMAN: So the focus is on the planning aspect?

MR. STOLICKY: Yes.

COMMISSIONER BURMAN: Okay. So last year, we also talked about, and I went back and I looked at the slides from last year to this year and except for one slide, which I think was a great additional slide on the average energy price comparison winter season, for the most part, all the slides while moved around a little bit and some changes in terms of the numbers, they all are the same which makes sense, right, because it's a continual process and looking at it so I don't have an issue with that.

But we were focused then on are gas planning going to be helpful to us in the future. And we've consistently, been here nine years, we consistently talked about we're good this winter, we're looking and when I asked about sort of the future issues yes, we're concerned, polar vortex, we had a huge issue we've switched sort of a lot of different policy issues and we keep coming back to yes, we need to do planning.

We clearly need to change the status quo and get under the hood so I think the gas planning proceeding is a really important one if we do it right. And we really are thoroughly analyzing and reviewing and also thoroughly pushing back on challenges to some of perhaps our, you know, need to speed it up.

But understanding that we also need to be careful in the ramifications when we move too fast in an energy transition that is not carefully taking into account reliability and resiliency issues that come. But when we talk about that, and when we talk about being prepared and being okay, we're not necessarily saying that the affordability issue is still good, right?

In fact, the affordability issue may soar and get worse in some of what we're doing and the status quo of baking it into, you know, a utility rate case and having the ratepayers paid for it may no longer be a viable way of doing things unless we look carefully at what that means.

So when we talk about things like non-pipeline alternatives, Mr. Stolicky, you mentioned that and those have largely been pilot efforts in our rate proceedings, right. And we have various demand reduction efforts that we do beyond their traditional interruptible customer approach.

But by and large, those efforts seem to have had lackluster results. Not necessarily will we still have to do it, we still have to look at it. We're continually trying to continuously improve and figure out solutions. But it's not like we're saying we do those; we're going to be good. In fact, we're seeing, we do those, we may still not be good.

So for me, we're also -- have had these different approaches without really the cold winter weather testing us and without looking now at the increased electric generation load and the -- the switch to winter peaking. So I guess I would just ask when we look at it and Davide, you talked about that we weren't at risk for firm customers. What are we at risk for?

That's what we should be sort of making sure that the elephants in the room are front

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and center so that we can feel that we have been honest and straightforward in what are our caveats and what are our risks. That's really all I'm asking for.

CHAIR CHRISTIAN: Thank you, Commissioner Burman.

COMMISSIONER BURMAN: But I'm -- I'm looking for an answer and then I have other stuff, I mean I really am looking for an answer.

MR. ROSENTHAL: I know I'm the lawyer. But as far as I can tell every single one of our proceedings and -- and I think in -- in, you know, outside of what we say at these public sessions, we say them, you know, during a PowerPoint presentations, during our outside presentations that a lot of us make. The core mandate of the Commission remains to ensure that the utilities provide safe and adequate service at just and reasonable rates; that's the core mandate. And I think it underlies everything that we do.

COMMISSIONER BURMAN: Thank you, I understand that, I'm asking and again, if staff doesn't want to answer or feels they can't answer right now I understand that, I don't mean to be difficult I just -- I feel it's incumbent upon me as a regulator with the responsibility to at least say what is the elephants in the room, I don't think it's something that is -- is something that should be seen as me being negative, it's -- it's a reality. I just want folks to just be comfortable that we shared.

MR. SOLICKTY: Commissioner Burman, the -- the presentation that staff just made, it is a look at an annual review for preparedness and -- and staff went through a detailed analysis and met with all the L.D.C.s to go through a list of questions to make sure they are prepared to meet their firm customer obligation for the winter, so that includes contractual arrangements, some hedging, make sure they have enough capacity, make sure all the, you know, all –- the Ts are dotted, make sure that they can meet that -- that expected demand on a design weather day. That's the key here so they -- based on our analysis and the information we -- we received from utilities; they are prepared to meet supply this winter.

MS. MITCHELL: Let -- let me try here. So we share your concerns. Affordability particularly this year is a -- is a major concern with the prices that we're seeing again, not so much related to capacity this year more what's happening globally. I think what you're getting at is the impact of capacity constraints and certainly as the system becomes more capacity constrained we do become more concerned about potential reliability impacts and that's why we do the review that we do, we work with the utilities, we're looking at it in the planning proceeding.

But again we're -- we're focused on the firm service customers if there is a major event, if there is a long cold spell, then the utilities have in place procedures to deal with that. We talked about interrupting the generators. We have interruptible customers and so the whole idea is that the firm customers are the -- the last ones that will become curtailed.

COMMISSIONER BURMAN: Okay. Thank you. I'm going to move on, I do know that this is a difficult issue. I do appreciate that you recognize that my concerns are valid or somewhat valid and to the extent that I personally believe I have a responsibility to look at what the impacts are on our decisions and to also to be honest on what that means because folks may not hear what we're saying in the same way.

So some of the stuff in terms of interruptibles, it means we have to look at what's our oil and kerosene, what are the issues there, what does it mean from an environmental perspective to having to ask more interruptible customers to go off gas, to go onto oil. So all those different things. I think if you look back at all the different transcripts that every winter and summer probably we can just take all that and dump it here and say ditto what she said last time. So I -- recognize that.

I do want to just kind of ask a question and maybe that -- that I am confused. So when -- if we can go up to slide number 5, if we can put that up. Thank you to the gentleman in the back. So on here, it says utilities have indicated -- it's okay. Utilities have indicated that no new moratorium on natural gas are imminent. What does it mean when we say that in terms of imminent and what are the changes that may happen that may make that no longer -- that may actually increase that the -- the need for more moratoriums.

MR. MAIORIELLO: Well, Commissioner

Burman, we are relating near future to five -- above five years or so look forward. But remember that demand that changes customer demands as -- if that changes obviously things can change, a major large customer is an example that needs a significant amount of gas. So it -- it's kind of a moving target at times, but at this point in time there is no moratoria expected in the near future. Is that helpful?

COMMISSIONER BURMAN: Yeah, again, I think we have a lot of nuanced stances which I totally understand. I -- I just think for me when I look at it, I also look at we're not in a static situation, right, we're trying to bring on more economic development projects, some of those economics development projects even if we call them green are going to require perhaps the need for gas which means that we also have to look at what that means and enable it.

We have to look at what that means in terms of perhaps changes in status quo in helping to ensure our infrastructure is ready for new technologies that may come to help alleviate some of that but also from an economic development perspective in what we want to do to bring folks here.

I don't think that that analysis is -- is something that ever comes before me, but it is something that I have asked that we are looking at that in terms of when we're looking at system planning. It would be helpful to kind of see it and project out and have some of that planning in a way that gives people a real framework of what that might look like.

MR. MAIORIELLO: Just to add a little more to my previous response. It -- the utilities do look at system plans and they do pressure testing in order to see where the weaknesses are in the system and that go -- goes all the way to the city gates where the gas comes into the system.

So -- so then again, those -- those are based on forecast -- current forecast and projections of -- of where those demands are -- are coming from by for firmcustomers. That could also change with a major customer that comes in, but the -- all of the L.D.C.s do -- do testing on their systems to look for weaknesses on their distribution -- in their distribution.

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COMMISSIONER BURMAN: Yes, okay. So then slide nine. Now I did raise this internally that I was perhaps confused. This year's slide seems to have different numbers, and perhaps I'm reading it wrong, than what was there for last year for the 2021-’22 winter forecast for all of the numbers are different.

So were these -- so when you look at the 2021-’22 winter forecast and you look at those numbers they don't match up to what the numbers were last year when we presented it. So did we update those after this?

MR. MAIORIELLO: All of the data there comes from our L.D.C.s, yes it --.

COMMISSIONER BURMAN: Right, but -- but this is what was last year and the numbers are different from that second --

MR. MAIORIELLO: They -- yes, they were updated at -- last winter prior -- after the presentation.

MR. STOLICKY: And that's because the final winter planning occurs at the end of October before the official winter season of November first, so when we present in early October, it's the best

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information we have at that time.

COMMISSIONER BURMAN: Right. I guess I am just going to point out when we have this and it's the same every year when we look. I do believe it should show that the same what was forecasted in October and if there was a change to the forecast, I don't mind a different column, but we should actually be making sure that we're not comparing apples to oranges because the winter forecast back last year for 2021-’22 had the pricing across the board lower.

So when we're looking at these numbers now and comparing it to the winter forecast projected for this year, it's actually a bigger spread. So I -- I just think from a transparency perspective, but also for my own analysis, I just want to know apples to apples comparison, October to October, and then if we need to explain a difference in forecasting all of that's fine.

I just thought maybe I read the numbers wrong or the numbers on here somehow got -- got put there mistakenly. So again, I'm just pointing out process improvement, and also for me for my own understanding. I -- I did raise this internally. Then I guess on -- and I'm going to ask the gentleman in the back, ten, slide ten.

Just the same thing, the -- the numbers didn't necessarily match up though it was -- I guess what's struck me here when I looked at the 2020-21 actual bill, it was $770 and so then we're looking at the actual bill of ‘21-’22 to 934, so just looking at sort of the -- the increase from ‘20-‘21 to ‘21-’22 for an actual bill.

Do we have -- I mean, I guess I am just concerned that while it seems here like it's -- it's a pretty big jump, right, so from 2020 it was 770, it was the actual bill and now we're looking at a forecast of 1200, I -- I think that sort of struck me as that's a big affordability issue, okay. But again, same thing, it's just making sure that we're consistent.

I'm going to move on, I'm just going to talk from -- from sort of my heart which is that I really want us to make sure that we're doing all we can do from planning, and from actually drilling down on the challenges, and identifying the risks that are there, and identifying what we're doing to try to address that. I think that when we look there -- we have made a lot of process improvements, especially in the consumer realm, but we also need to continually look at that and ask what else can we be doing.

Last year we did -- after October, we did send out -- the Chair sent out a letter to the utilities, this year it was before, I thought that was a good thing. For me I'd like to see that kind of stuff now part of routine planning versus, you know, doing it as a seeming sort of shot to the bow, you know, we're going to do this in a way that can help us. I am concerned again about this winter, but I'm also concerned about fast forward and what that means and really getting under the hood more on how can we look at this.

I know the Chair mentioned the C.P.I. came out and, you know, this morning, and we should get under the hood a little bit about what that means, and sort of make sure that we're challenging ourselves to be part of the solution in a way that is helpful. And again I just want to -- I can't underscore enough that the issue of system resiliency and affordability and how important both of those are and as we enter the winter season the concerns that are there and we can’t keep relying on a warm winter to get us through, so thank you. Thank you, Chair.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Alesi.

COMMISSIONER ALESI: Thank you, Mr. Chairman. First of all, let me start by saying when we're doing this by remote, we don't get to see any of you people, we just get to see the people up on the dais so give me a moment to just say it's nice to see all of you live and in person again and to reiterate what -- what I always try to stress is that your work is very much appreciated.

So the 5 of you up here -- 6 of you and the people that you've worked with to produce this report, your efforts are very much appreciated. And the -- but I want to -- I just pulled something out of this so it's just something that strikes me that the -- the report indicates significantly higher prices as related to previous years. You highlighted 2009 when the in -- increases were a combination of financial crisis and climate, 2014 it was mostly the polar vortex and the -- this year relates primarily to the cost of natural resources and the world market.

And my -- my concern, my personal

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concern is that with all of these factors in mind, I feel that our pursuit of cleaner energy might justifiably, I'm going to stress, justifiably add to increased costs in the very near future. And this would likely be a significant part of educating consumers and stretching the outreach that you're responsible for in maybe a different way, because the pursuing of the C.L.C.P.A. is going to require different kinds of energy, distributing it, and making consumers know that there will be associated costs and letting them know before it happens that it is coming because there is a new world of energy around the corner, we all know that.

So my point simply is this, when we look back over the last 20 years, as was portrayed here in your production, that we should also have an eye on the next 5 years when we're relating what we think will be to the people that are going to pay the bills because they will feel it and they will react. So outreach is going to be very important and outreach ahead of time would probably be the prudent course of action. Thank you.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Edwards.

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COMMISSIONER EDWARDS: Thank you very much. I just want to echo what my colleagues have said and just add a little bit more to it. So while I appreciate all of the activity that is going to go on to the low and middle-income consumers, the rate of increase, as Commissioner Burman has said, over the past years is large which means that the number of households that are going to be struggling to pay has also increased.

So while they may not fit into a low and middle-income consumer, the household, the average household of moderate income unless you are affluent, you're going to struggle with paying 20 percent increases year over year.

So I would like to make sure that we are getting more information from the utilities on what it is that -- that they are going to do to help those consumers that may not necessarily fall into the bucket of low and middle income, so they may not qualify for a program, but in fact as Commissioner Alesi just said, you know, they are still going to need some support and help.

So I would like to know more about what specific support and help are the utilities going to provide in order to help households in -- in New York. Thank you.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Howard.

COMMISSIONER HOWARD: Thank you, Mr. Chairman. I have a couple of questions. You brought out in somewhat great detail, Tammy and whoever guy I forget who actually did, about the regional differences expected electric prices by region and we've discussed earlier. That same calculus will be true on the gas side as well. Is that correct?

MS. MITCHELL: That's correct. Do you want the specific regional --?

COMMISSIONER HOWARD: Well, yeah -- yeah, I know it's very difficult, and look, I -- I am very sympathetic to whenever we put a number which is a -- an estimate which is a very sophisticated way to say our best guess in terms of what the actual -- what consumers can expect in terms of price increases. You know, in the past we have overestimated what that could be and then we’ve underestimated.

So just in terms of -- if you can go from West to East what you think in terms of the relative increase in retail gas prices will be delivered to consumers?

MR. MAIORIELLO: For -- Commissioner Howard, for Downstate, the bill impact ranges from 20 to 25 percent. For Upstate to the -- and to the East it's 29 to 41 percent and for Upstate into the west it's 39 to 41 percent. Those are the ranges for those --.

COMMISSIONER HOWARD: Those are, you know, those are pretty big deltas and -- and I think, you know, on a regional outreach basis, you know, that -- that, you know, everything won't be the same while we see particularly in the West on the electric side, a relative moderation as compared to the rest of the State, clearly your -- what you just indicated on the natural gas side, they will experience potentially a greater increase in delivered prices.

So I think, you know, while one will balance off the other, I just think that that is important particularly when we give Statewide numbers there is somewhat -- well, they are not always accurate in terms of where you actually live. The other question and -- and I think could you just elaborate on -- on the electric side, why is there this variation and for the gas side too, why is there this variation between geographies in -- in New York.

MS. MITCHELL: Paul, do you want to take that or do you want me to do it?

MR. DARMETKO: Yeah, I can try. So the New York I.S.O. is the entity that really sets the market price of energy in New York State and they do so based on the generating units that need to run. The western part of the State has a lot of hydroelectric generation, it has nuclear generation, it has gas generation, but less so than the Eastern part of the State where gas prices tend to be higher -- delivered gas prices tend to be higher even just overall the fuel prices tend to be higher than the West.

So when there is transmission constraints on the system and energy can't flow freely from the Western area of the State to the Eastern area of the State, you get that price separation.

COMMISSIONER HOWARD: Great, thank you. It's just like your house in Bethlehem and your cousin in Buffalo, you know, might be the customers of the same company, but they see dramatic differences in their pricing and -- and I think it's important to point out that -- that people should know that.

My second question is, is the issue of how we deal with -- how utilities deal with either on informally or statutory based on winter cut-offs, can somebody just go through what has traditionally been of the issue of when utilities suspend cut-offs for customers.

MS. RIVERA: Cut-off?

COMMISSIONER HOWARD: Yeah.

MS. RIVERA: I'm sorry, cutoffs -- I'm sorry, can you elaborate?

COMMISSIONER HOWARD: Yeah, if -- if the issue is traditionally -- while not necessarily in statute, utilities have taken on individual policies where they do not cut off customers during the peak of the winter.

MR. RIVERA: Uh-huh.

COMMISSIONER HOWARD: And can you just sort of explain how that works and -- and what is informal and what is past practice and what maybe statutory.

MS. RIVERA: So in past practices, the

utilities have entered into an agreement with us that during the winter months depending upon where they are located in the State at a particular temperature they will not turn off anybody whether they have the ability to, you know, go and do it based on style -- based on regulations, but they will make a conscientious decision to not go out in order to make sure that life and security is -- is maintained.

So that agreement is being worked on as we're speaking, like something should be rolled out soon. There is also a period during the holidays where there is no turnoffs and that's statutory. So those are the things that will happen within the next few weeks.

COMMISSIONER HOWARD: And for those customers with special needs, you know, that -- that this is the opportunity for them to reach out to the utility and -- and indicate their -- their situation, correct?

MS. RIVERA: The consumers with special needs can reach out all of the year -- all year round, so.

COMMISSIONER HOWARD: Right but -- but it'd be particularly important to do it now.

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MS. RIVERA: Yes, absolutely. It is also -- if there is a -- if there has been a consumer that has been turned off there is a process called winter as we're ramping up if that energy have been turned off and it's necessary for life then they will go back and turn it on irrespective of whether they are still outstanding on monies due on the account.

COMMISSIONER HOWARD: With that being said absent like last winter’s moratorium, there is -- there us still a risk that certain customers could lose service during this winter. Is that correct?

MS. RIVERA: Yes, absolutely and the staff and the call center is available until 7:30 to make sure and have processes in place that if we need to get our -- the -- the utility restore unit to their -- to their homes that they can do it up until 7:30 in the evening and that is based on issuing an order as of Commission order to let them know that service needs to be turned on and it has to be done within two hours of them calling in.

COMMISSIONER HOWARD: Thank you. I also want to just reiterate, you know, get some reality into what the low-income programs particularly LIHEAP can do that you have to be a very modest income to qualify for these programs. And to Commissioner Edwards' comment there were a lot of people who were just on the bubble that will not qualify for these programs but will be have -- and so I think it's something that in terms of income eligibility I know we don't set those necessarily, those are from the federal government by and large, but to the extent that any State resources or whatever could be done increasing the size of that pool is going to be desperately needed this winter.

MS. RIVERA: When consumers reach out to our call center one of the things that we stress is that they have -- consumers have an impact on how much energy they're going to consume and if they can take simple steps in order to be able to hopefully reduce some of that usage.

We encourage them to, especially as the winter prepares comes in is that, you know, take steps in order to, you know, weatherize your home, you know, take shorter showers. It's just a number of different things that can be done in order to reduce the consumption and that expectation as if they has a certain amount of control over what the bill is going to appear.

We’re also encouraging these same consumers that, you know, there are payment options that are available at the utility that maybe they would have never used before because they never have any need, but that the use of those are interest-free, they will have no negative impact on their credit income, you know, score so we are providing them with as many resources that my -- you know, they may have known about them peripherally, but they never would have had an expectation that they would have impacted their own lives.

But by bringing it to their attention, letting them know that there is no stigma with it we are finding that hopefully, that is going to be able to turn the tide and have them have that conversation. The utilities have also made it very easy to do some of that deferred payment plan options that they are done online, they can do it on their I.V.R.s and they tend to be very easy to maintain. So what -- again, that's what we're hoping that this is going to be able to mitigate some of that.

COMMISSIONER HOWARD: Thank you. I have a question regarding fuel oil supplies. A couple of months ago, there was a very dire reports about just not having distillate available. Has that changed, you know, from our observation and I know we'll be going on -- ongoing discussions for providers on that, but is -- has that changed the liquidity of -- of liquid fuels in particular?

MR. STOLICKY: In our conversations with various oil dealers, the consensus is that there is plenty of oil supply, but what we've seen is that a lot of interruptible customers were waiting for the price to drop before they topped off their tanks.

COMMISSIONER HOWARD: Didn't happen.

MR. STOLICKY: They are working on it and for the Chair’s letter we -- we are -- we are motivating the companies to -- to pay more attention to this and encourage these customers to top off sooner rather than later. According to the oil dealers there is plenty of supply, the only time we might have a concern is if the interruptible customers do not top off like they are supposed to and we get extreme cold weather early then there might be a bit of a squeeze or a rush to top them off shortly thereafter. That's what we're monitoring at the moment.

COMMISSIONER HOWARD: Well, I -- I

hope we also take special emphasis on those interruptible customers to provide real human services to folks pretty clear health care and a variety of other things that they need to -- they need to follow the rules.

MR. STOLICKY: Yes.

COMMISSIONER HOWARD: And because falling back on standard service only exacerbates the supply problem potentially by a lot, correct?

MR. STOLICKY: Correct.

COMMISSIONER HOWARD: Okay. Thank you. We -- we've talked a lot today about what we can do here at the Commission, and what we do to customers, and what we are doing to incent utilities to get through this very, very difficult time in New York which mirrors the global situation, but the real question is what can government do to reduce my prices and I think the first place that I would look at which is then rarely discussed is the issue of local taxes on utilities and on energy.

You know, reducing taxes provides immediate relief to customers and in the case of the City of New York could be dramatic price reductions are possible. And as I’ve reminded folks from this dais in the past, New York City fully takes 25 cents of every consumer's dollar that they pay to Con Ed, one quarter of your money goes to the city.

If the city -- and I am loathe to hear any criticism from any member of the New York City Government, the crying of the impact on consumers, which will be real, without any tangible action that they could do today to dramatically reduce customers' bills. And again that -- I have not heard that once in this discussion lately and particularly when we have an ongoing rate case with the Consolidated Edison Company this issue is not particularly from those in the New York City Council and the State legislature hasn't even been mentioned.

If they want to keep prices down, the government can stop taking our money and in this particular instance, so we're going to have real suffering dealing with this high energy prices and I -- I beg local governments to do this. And while a limited number of municipalities that, you know, have lower their prices, taxes on utilities and energy, there is still plenty of room for governments across the State of New York to take action.

And -- and I note that many counties

in the State of New York took action to cap or reduce motor fuel prices. No parallel action has been taken on utility and energy taxes. My question is why? It, you know, again I get the political reality of lowering the price at the pump, would people need to be reminded come January, it goes back up.

So again, I think it's something that can be done and my hope is that if local governments wouldn't do it then the State government who has authorization to create this taxes on a local level would take some action to do something and do it now while we still can. And that is the most, in my mind, action by government that can reduce people's bills today and I just hope that it happens and with that, thank you, Mr. Chairman, I turn it back to you.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Valeski.

COMMISSIONER VALESKI: Thank you, Mr. Chairman. I -- I don't have anything new to add beyond what has already been raised by my colleagues. I’ll just say Tammy, to you and your entire team, thank you for the presentation today, thank you for the work that goes into this project each and every year it's appreciated by all of us and the important

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lessons related to take away for all ratepayers going forward. So thank you very much.

CHAIR CHRISTIAN: Thank you, Commissioner, and Commissioner Maggiore.

COMMISSIONER MAGGIORE: Thank you. Thank you for the excellent presentation. I -- I find it to be very informative if -- if somber. Also my colleagues have raised some excellent points and asked some excellent questions that I'm not going to reiterate what has already been said, but there are two items that we've -- we've touched on that I would like to clarify, not because I don't understand what we're talking about. I think everybody in the room does. But sometimes these discussions get reported on and I think it's important that the public understand what we're talking about.

First is when we're talking about the European situation or the global situation, just to be clear, we're talking about Russia's war against Ukraine. That's -- that's what we're talking about, right, and the impacts of that?

MS. MITCHELL: Yeah, so I think that's one of the driving factors for the increase in supply prices. We talked about increased global demand, as well.

COMMISSIONER MAGGIORE: Yeah. All right. It -- it would -- increased global demand, is that a follow-on factor to the war or are there are other -- other factors contributing to the increased global demand?

MS. MITCHELL: I -- I think there are multiple factors driving here. Part of it is the -- the rebound of the economy from COVID.

COMMISSIONER MAGGIORE: Yeah, yeah, right. Okay. Thank you. I'm -- I'm going to make one point on that. But I also, you know, we're talking about -- I think, you know, I think the whole presentation was excellent. And I think you know, not to single one out but on Maribel's part of the presentation it's especially important for people to -- to hear or understand.

And, you know, you mentioned weatherization. And when we were talking about weatherization, what are we talking about? Like, what can an individual, say, a homeowner do or a landlord do when we're talking about weatherization?

MS. RIVERA: Thank you for the question. Consumers can seal their windows. They can provide -- make sure that the doorways are sealed, that they have a barrier to letting leaks come into the home. They can wrap their heaters and their boilers in order to preserve the energy so that it's not escaping. They can wrap their water pipes with insulation. They -- if, you know, those are the simple things that you can do pretty simple.

The other things that you can do is you can also look at how to insulate the home. These are the things that we again, share with the consumers when they contact us. I just want to share there's a -- one of the -- one of the utilities, they now have an insulation weatherization package, that if you get in touch with them, while packages are available, that they will send you some to the home and they will be able to wrap, at least four windows, provide foam so that you can put around the doorways and then the entrance.

So there are significant efforts being made with the utilities where these resources are available in order to be able to reduce the energy leaving the home too. Once it's heated, you want it to remain there.

MR. BERKLEY: And Commissioner, and

Mr. Chairman, Commissioners, if I may add to that. In addition to the measures that Ms. Rivera pointed out, there are also programs at our sister State agencies at New York State Homes and Community Renewal and also at NYSERDA, the New York State Energy Research and Development Authority. They both provide a wide array of services that can be provided to homeowners and to renters, to assist with lowering their energy use on a -- on a yearly basis but are especially effective during the winter.

COMMISSIONER MAGGIORE: And I think that's so important that people understand that because it -- it really does look like it's going to be a challenging winter for almost everybody and almost everybody in New York, but really in the northern hemisphere and there, you know, the -- the weatherization options are something that those who have the ability to take advantage of them could actually do to mitigate the impact of what we're talking about today.

So -- so that's it. I just wanted to underscore those two points. Again, thank you very much for the excellent presentation.

CHAIR CHRISTIAN: Thank you,

Commissioner. And thank you all. Great job today. We'll now move on to our second item of discussion. Item number 501. Case 22-C-0358. This relates to the North American Numbering Plan Administration NANPA Petition for relief for the 716 Numbering Plan area.

Today's presentation will be provided by Ruvain Kudan, Lauriann Mullen is also available for questions. Ruvain, I understand this is your first time so welcome and --

MR. KUDAN: Thank you very much.

CHAIR CHRISTIAN: -- and please begin.

MR. KUDAN: Thank you. Good morning to the Chair Christian and Commissioners. Before the Commission today is staff's recommendation in response to the June 16th, 2022, petition by the North American Numbering Plan Administrator or NANPA.

SECRETARY PHILLIPS: Excuse me, sorry, please turn on your microphone.

MR. KUDAN: Oh, I didn’t do that. Now we're talking. Thank you very much. I appreciate that. And thank you and good morning to Chair Christian and the Commissioners. Before the Commission today is staff's recommendation in

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response to the June 16th, 2022, petition by the North American Numbering Plan Administrator or NANPA.

NANPA is a neutral third party responsible for forecasting these various area codes and initiating area code relief -- relief planning among other things. In its petition NANPA advised the Commission that its most recent forecast indicates that the supply of telephone numbers in the 716 area code in the far Western region of the -- of the State would exhaust in the second quarter of 2024.

Area code relief planning guidelines require that where area code relief is needed and the impacted area code has transitioned to 10 digit dialing, an overlay relief option is the only relief method that can be considered.

Accordingly, because 10-digit dialing is currently in place in the 716-area code, the relief options provided by NANPA are two overlays. The first option is an all services overly. And the second option is a boundary elimination with an additional area code overlay option.

Let's take a look at the two options. Under the first option, the all services overlay, a new area code would be superimposed over the same geographic areas covered by the existing 716 footprint, resulting in two area codes serving the region.

Under this option, all existing customers with either landline or mobile service would retain their current 10-digit telephone number, and 10-digit dialing for all calls, whether local or long distance would continue to be required.

Once 716 numbers are fully exhausted, requests for new telephone numbers in the region would be assigned to the new area code. The implementation timeline for this option is nine months. It is relatively simple to implement because 10-digit dialing, as I mentioned, is currently in place. NANPA estimates the life of the new area code under this option to be approximately 29 years.

Under the second option, the boundary elimination with an additional area code overlay, the 716 area code would be merged with the adjacent 585 area code, creating one combined overlay area where the two area codes would serve the region.

As with the first option, existing customers, regardless of landline or mobile service would retain their current 10-digit telephone number and 10 digit dialing for all codes would still be required.

Under this option, once 716 and 585 numbering resources are fully exhausted, a new overlay area code would be activated to serve the region. The implementation timeline for this relief option is 18 months. The timeline is longer than the first option’s timeline because the 585 area code does not yet have 10-digit dialing in place.

Accordingly, the implementation plan must include milestones to accommodate the dialing change from 7-digit dialing to 10-digit dialing. That means affording providers time to reconfigure their networks and provide customer outreach and education about changes to dialing patterns.

NANPA estimates that this option has a projected life of approximately 17 years. NANPA also advises in its petition that a jeopardy condition exists for the 716 area code. It explains that prior to submitting its petition, the 716 region had experienced an increased level of demand for numbering resources that caused the potential for the forecasted demand for numbering resources to possibly exceed the known supply before relief could be implemented. This is known as jeopardy.

As a result, pursuant to the area code relief planning guidelines, a rationing system has been put in place that limits the amount of numbering resources that can be allocated -- allocated to providers each month in order to prolong the supply of numbering resources while relief is being implemented.

The petition recommends that the Commission approves the first option. The all services overlay due to its longer relief lines lifespan and increase simplicity -- simplicity to implement. If approved, the New York telecommunications industry will convene to form an implementation committee and will select specific milestone dates that will allow the new area code to be fully implemented by no later than six months prior to the projected second quarter of 2024 exhaust date.

Staff analysis in this proceeding included looking at what is driving the demand for telephone numbers. We know that over the past two decades, the demand for telephone numbers has been largely impacted by the proliferation of cell phones and tablets.

In addition, and more recently, the development of newer technologies and services has also been at the forefront of what is driving the demand. For instance, consumer use of interconnected daily objects, often referred to as the Internet of Things, demands the use of telephone numbers.

An example of this would be a refrigerator that tells you remotely what you need to pick up while you're at the grocery store. Other technologies that require the use of telephone numbers are in-home alarm systems, remote medical monitoring devices and OnStar emergency service -- systems in vehicles. There is widespread use of technologies that require the use of telephone numbers at the municipal level as well.

For instance, there are parking meter systems that offer payment options and space location services which interface with end users via cell phones. There are road traffic monitoring meters that also use telephone numbers. All told, there is a clear trend by society to integrate technology into our daily lives, all of which drives the need for telephone numbers.

In conclusion, staff recommends that the Commission approved NANPA's petition to establish an all services area code overlay as the appropriate means of providing numbering relief for the 716 area code due to its longer relief lifespan and decreased timeline to implement.

Also, because 716 is in the midst of jeopardy procedures, providers in the region could experience delays in meeting customer requests for new services that could cause adverse economic and safety impacts for customers in the 716 area code region. Should any recover -- relief decision be delayed, such as situation will be mitigated to the -- to the greatest extent possible with the Commission's decision on area code relief today. This concludes my remarks. Thank you, and we're available for questions.

CHAIR CHRISTIAN: Thank you, Mr. Kudan, your refrigerator anecdote hit close to home as I got a message from my fridge just yesterday. Thank you for that. You know, when I first heard that this petition was submitted earlier, you know, I -- I was excited. I was excited to see that we had a need for new area code in the region. You know, and though we classify this as area code relief, what this really represents is a growing region, right.

Sign up more people, more businesses, more activity, which is something we as all New Yorkers should celebrate and be quite proud of, as our State continues to grow. And as I understand it, we can expect similar future area code needs in the future in other parts of the State and also in Western New York. So thank you for giving this presentation today. Appreciate the level of detail and the anecdote.

MR. KUDAN: Thank you very much.

CHAIR CHRISTIAN: All right. With that, Commissioner Burman?

COMMISSIONER BURMAN: Thank you. Ruvain, I can't believe it's your first time speaking here.

MR. KUDAN: I'm glad I made it.

COMMISSIONER BURMAN: I just want to go on record. I don't want my refrigerator identifying what I normally eat. So thank you. Great presentation. I have no comments.

CHAIR CHRISTIAN: Thank you,

Commissioner. Commissioner Alesi?

COMMISSIONER ALESI: It’s not -- as long as it doesn't jeopardize the operations of the Buffalo Bills and their continued success I'm fine with that.

CHAIR CHRISTIAN: I have no comment to that. Commissioner Edwards?

COMMISSIONER EDWARDS: No comments. Welcome.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Howard?

COMMISSIONER HOWARD: Yeah, I have just one question. So the issue of 10-digit dialing is inevitable for everybody everywhere. Is that -- is that going to be the case?

MR. KUDAN: Yes, indeed. Yes, indeed, the -- really a lot of the area codes have already been transitioned to 10-digit dialing because of the -- the transition or the implementation of the 988 suicide and crisis hotline that was implemented. Interestingly, the 585 area code is the only area code in the State that doesn't have 10-digit dialing at present.

So interesting enough too, that's the

next area code according to the latest forecast that will exhaust. That's supposed to occur in the third quarter of 2026, according to the most recent forecast. And then the whole state, once that happens, will be -- will have 10-digit dialing.

COMMISSIONER HOWARD: Great. Thank you very much.

CHAIR CHRISTIAN: All right. Thank you, Commissioner. Commissioner Valeski?

COMMISSIONER VALESKI: No questions. Thank you.

CHAIR CHRISTIAN: Thank you. And Commissioner Maggiore?

COMMISSIONER MAGGIORE: Thank you. So the -- the last presentation -- first of all, thank you for a great presentation and welcome aboard.

MR. KUDAN: Thank you.

COMMISSIONER MAGGIORE: The last presentation was sober, as I indicated. This -- this is actually great news. And if you bear with me, I'm going to just share my opinion as to why I think that. This is really building on something that the Chair said.

But back in January when we approved a

new area code for Long Island, Chair Christian explained that the new area code is necessary, "as a result of a robust economy and strong demand". A quote that is so self-evidently correct that the Daily News borrowed it for its headline in reporting the story.

Well, being a native Western New Yorker who still holds a 716 area code, I can say that the reason for what -- that the reason that Western New York needs a new area code is the same. I'm 53 years old and grew up in Buffalo. For the first four full decades of my life, Erie County's population shrank significantly from census to census.

Buffalo was the brunt of late-night comedians’ monologues. Its economy was known for the demise of manufacturing businesses such as Republic Steel. Even its greatest natural asset, its waterfront largely remained an unattractive wasteland.

The 2020 census tells a different and remarkable story. Population growth for the first time in my more than half a century of life Buffalo's resurgence continues. In February of this year, the

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Buffalo News reported quote, "Population growth adds to the frenzy around the roaring housing market", comprising two concepts, population growth, and a frenzied housing market that would have been alien to Western New Yorkers for decades.

A columnist for the New York Times wrote in July in response to the horrific shooting that appalled the nation that "Buffalo's other story is told in redevelopment and growth". Last month, the Buffalo News reported "unemployment remains at modern-day lows across Buffalo Niagara."

And today, the lead editorial in the Buffalo News is titled "Affirmation of success. Influential outsiders are taking note of Buffalo's surging entrepreneurial culture."

These developments didn't just happen. Thanks to State and local leaders and more importantly the energy and ingenuity of Western New Yorkers, Buffalo's waterfront has come to life as an attraction that draws more than a million visitors per year.

The Buffalo Niagara Medical Campus located in what is now known as East Buffalo, employs 1000s while synergizing research, commercialization, and treatment to improve both the region's economy and medical science.

Reenergized cultural attractions such as Frank Lloyd Wright's Darwin Martin House, the largest theater district between New York and Cleveland. The renowned Buffalo Philharmonic Orchestra and the Albright-Knox Art Gallery currently undergoing the largest renovation of a cultural institution in Upstate New York have become international destinations that were featured in plenty of best of lists in the second half of the last decade.

Even the site of the former Republic Steel, which sat as a brownfield for years, is now home to more than 1500 green energy industry jobs. On top of that, Josh Allen the Bills quarterback left the census, despite showing growth for the first decade since the Johnson administration.

The news nevertheless reported in April that the Census Bureau actually "Underestimated Erie County's population between 2010 and 2020". But what the census doesn't know the phone company does. Western New York needs nope -- needs more phone numbers for good reason. Thank you.

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CHAIR CHRISTIAN: Thank you, Commissioner. So we're going to bring this item to a vote. I think it might be a close one. My vote is to establish an all services area code overlay for the 716 Numbering Plan area as discussed. Commissioner Burman, how do you vote?

COMMISSIONER BURMAN: Yes.

CHAIR CHRISTIAN: Thank you. Commissioner Alesi?

COMMISSIONER ALESI: Yes.

CHAIR CHRISTIAN: Thank you. Commissioner Edwards?

COMMISSIONER EDWARDS: I vote yes and I want to thank Commissioner Maggiore for his comments and history. That was great. Thank you.

CHAIR CHRISTIAN: Thank you. Commissioner Howard?

COMMISSIONER HOWARD: Yes.

CHAIR CHRISTIAN: Commissioner Valeski?

COMMISSIONER VALESKI: Yes.

CHAIR CHRISTIAN: And Commissioner Maggiore?

COMMISSIONER MAGGIORE: Yes.

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CHAIR CHRISTIAN: Thank you. We have sufficient votes. The item is approved. Thank you.

MR. KUDAN: Thank you so much.

CHAIR CHRISTIAN: All right. With that we're now going to move to the consent agenda. Do any Commissioners wish to comment on or recuse from voting on any of the items on today's consent agenda? I will begin with Commissioner Burman.

COMMISSIONER BURMAN: Thank you so much. I have a few items. Item 161 I will be voting for, but I did just want to explain my vote. Here this draft order before us allows the utility to modify its C.P.C.N. in order to provide natural gas service to an R.N.G. production facility located on an Upstate dairy farm.

The utility is going to receive and transport R.N.G. produced by the R.N.G. facility through a newly installed transmission line to the utilities existing pipeline infrastructure.

I'm very supportive of this item before us. Projects like these present true economic development opportunities in the agriculture industry as part of our clean energy transition, providing a dual benefit to the critical sectors of the economy, both energy and waste. This item is a clear example of the role R.N.G. can play in our decarbonization efforts and will hopefully help to shape our clean energy future.

I would like us to make sure that we continually have dialogue with the dairy farm leaders to make sure that we're doing all we can in helping our agriculture industry as they are part of the energy transition.

Item 163 is, excuse me, it's a -- it's a draft order seeking to approve the utilities’ firm customer gas demand response programs. I am going to be concurring. I do raise concerns though, because we do need to look at what we're doing in this space and make sure that it is carefully evaluated in a way that we're showing results and keeping costs down.

Item 266, I am going to be concurring. We had an August order where I concurred at that time, which established a Contin -- Continuity Funding Mechanism C.F.M. to provide ongoing funding for incentives in the clean heat program until the conclusion of the New Efficiency New York item review. And after that order ConEd asked for clarification on the procedures really revisions to the electric tariff to include the C.F.M. in the MAC.

I do believe this is something that was overlooked, and I support putting it in there to just clarify exactly what that -- what that meant. I will say that I am looking forward to continuing after -- after this August order we did have a order establishing the New Energy Efficiency Planning proceeding and I am looking forward to that as well.

On item 368, I -- I have really tossed and turned on what to do on this item. And I really think it's important that I explain my vote and why I'm going to be voting no. This is an item that is very important, I believe and it deals with our interconnection a New York State standardized in-connection requirements for new distributed generators and energy storage systems.

And in July of 2021, the Public Service Commission issued an order approving the cost sharing mechanism and making other findings, looking at new rules for how to share the cost of dis -- distribution system upgrades.

Now, after that order, based on the work of a lot of folks, including the interconnection policy working group, we realized that we needed to

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make modifications and clarifications.

So in April of 2022, we did have before us an item where we did do those modifications. And making modifications to the standard interconnection agreement is something that is routinely done as appropriate over the years in looking at how to really process improve, system improve. And the interconnection policy working group has been a good vehicle, I believe, to work through some of those challenges.

However, after our order in April, we had several petitions. For folks who said, look we know that we had, and again, I'm paraphrasing, and dumbing it down for myself. We had, I know, we agreed to these changes and the order we were help -- hopeful for, but we really don't think you really got it that right at least as to us in our projects.

We really need more time and really, the focus was on them wanting to have our -- us reconsider and/or clarify that the deadlines that were in the order could be extended so that they wouldn't be essentially pushed out of the queue and have to really frankly, start over, which really means that the project is no longer going to be viable. Whether it was or wasn't viable, I think is really sort of the heart of the question.

So they brought these petitions on each one, you know, explained why they felt that the deadline was too arbitrary, and were wishing for us to do that.

The thing that I think struck me is that our order now, our draft order before us really didn't go into the viability of the projects and the petitioners. And in its stead the draft order declines to grant reconsideration or clarification of the April '22 order. And basically says, you know, there were extensive discussions of the deadlines and refundability of the interconnection payments before and after the petitions were filed.

So developers, you guys agreed to this, and you didn't put forward any new information or change in circumstances that warrants us to reconsider or clarify the payment deadlines. So you know, essentially, goodbye, good luck, and we're not changing that.

For me, what's important is that we actually take time, as I see it, to look back substantively and try to figure out what is going on.

I didn't feel that I got that from the draft order. And then looking at the petitions themselves, they tell a story to me, which is explaining what it means for them if they put forward significant payments.

And -- and without necessarily, you know, which would be nonrefundable. And they were explaining, each one has a different issue, on why the deadlines were not necessarily helpful because of other things outside of their control. And each one has a different story, working with municipalities, working with the utility, working with the community trying to get that.

And I understand that we had years ago, huge numbers in the interconnection queue. And we couldn't tell what was viable and what wasn't viable. So that there was a lot that was in the queue that needed to be cleaned up.

And we did, I think a good job of getting through the queue, trying to flush out through mechanisms like payments that would be put up, like certain deadlines, things that needed to be done to showcase that you were having a viable project. And if you didn't do those things in the time fashion and the way it was done, you would be kicked out of the queue.

And what that did was it helped flush out what was really sort of, you know, placeholders that didn't have any viability behind them. And therefore, we helped to reduce the queue, and the backlog, and move projects forward.

But here are some of these projects. I've actually sort of wondered, are they viable? One’s in Staten Island, the company seemed to be well established. And I wanted to know, so what is it that they were good with this interconnection agreement, you know, revision that came before us in April. Everyone seemed happy.

And now, you know, the deadline has passed and -- and they made a request to the Secretary, before the deadline was past, saying, based on ordering clauses, ordering clause nine is the one that I'm most concerned with. Secretary has sole discretion to extend the deadlines in the order.

And so therefore, we would like the Secretary to extend the deadlines and explains the reasons. And ordering -- the ordering clause is, at least to me on its face, pretty unambiguous. It gives sole discretion to the Secretary to extend any of the deadlines in the order.

Now I think I would have misinterpreted that to be that the Secretary could look at a petition for an extension of time. And based on the ordering clause asked for an extension. That didn't happen. Instead, it was determined that that ordering clause was not relevant, because the changes that were made to the interconnection agreement were part of the tariff and therefore not something that the Secretary could extend on her own.

And you'd have to come to the Commission, and that meant you'd have to SAPA, and that meant that by the time you SAPA’d it, and it got to us, the deadline was passed, and you are now pushed out of the queue.

I think that is a chicken and egg issue. And I think that there is a good faith argument to be made that technically, that may be what we meant by that ordering clause, that it was only for things that were not part of the tariff and therefore, the Secretary didn't have sole discretion.

This has come up before in other orders that we've had where there's been some clarification and some discussion on what does it mean with that ordering clause whether we were giving discretion to the Secretary. And I am in no way saying that we should give further discretion to the Secretary unless there is a conversation.

But as to this ordering clause, I take pause. Because for me, the question is, if these are viable projects, what are we determining as viable projects and if we have the ordering clause and the changes that then have to get made that that got made in the tariff are done pursuant to the order.

I do think that that ordering clause, if we wanted to, could be used as the extension of the deadline can be extended. Because what we're asking to be done is to extend what is in the order saying we accept this and we're moving the deadline is X.

Yes, I understand that it has to be aligned with the tariff. But the tariff has to be aligned with the order. And if we reconsider and clarify our orders, it actually is something that our -- our orders speak for themselves.

And if we choose to because it makes sense from a substantive perspective, to reconsider it, I do think that we can then say the tariff has to

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be changed and not that we're locked into our order and inability to move because of the tariff. I just think it's a chicken and egg. It concerns me. But more concerning is, I want to make sure that we are not interpreting the failure to meet the deadline as the be all and end all for the non-viability of a project.

And what I mean by that is, yes, we have benchmarks that we're doing to try to ensure that nonviable projects will not get through or be held in the queue and others having to wait while it moves forward, right. So this was one way of helping to push the viability of projects and making sure people are meeting their deadlines.

However, we have to put an asterisks because in real life, we need to understand, are their challenges to those deadlines that are in good faith based on the developers trying or showcasing that there are issues. And in fact, if we chill those projects, are they actually chilling potentially things like our energy storage projects and other things that we actually want to do to the benefit of the customers.

With all that being said, I went back

and forth over this because I do believe very strongly that the interconnection policy working group has been effective. I do think it's important to have clarity in the way that we are setting forth certain metrics and targets and having a way of getting rid of those projects that will not succeed in a timely fashion.

However, because I feel strongly that I'm not sure we got it, we -- we definitely needed to make modifications from the July, 2021 order we may need to have taken time to revisit a little bit more clearly the April, 2022 order and look to just say, is this actually what we want to do based on the deadline itself being the thing that says, well, there's there -- therefore, you're not actually viable because others were able to meet the deadline, but yours weren't -- you weren't, so therefore, you're out.

And the reason I say that is because maybe the reason that they were able -- unable to meet their deadline versus someone else being able to meet the deadline is because maybe they had a larger project. Maybe there was more money at stake. Maybe there was more community engagement that needed to be done. Maybe there were more challenges with the utility and the different -- and the municipality and other things.

And I want to make sure that we get under the hood a little bit to make sure that we're not arbitrarily kicking out a potential viable project that we really need because when we kick them out, we're effectively having it dead on -- on arrival. And so that's really kind of where I come from.

Though I do understand the other side of this. And I do -- I do that -- and that is why I struggled in where I would come out here. And so for me, I want to thank staff who spent an enormous amount of time with me in trying to make sure that I fully understood and also then went back and forth on what was the right decision. And where I land is for me I'm going to be voting no on this item for the reasons that I stated. And -- and that's where I am on that.

On items 369 through 371, I'm going to do that as them as a collective, no. I want to explain my vote. So I also wrestled here with what the right approach was. There's three items; two of them are declaratory rulings, and -- and therefore did not have SAPAs.

One did have a SAPA and it is looking at the transfer under Section 70. All three -- so two of them, the two that are the declaratory rulings, reference the one that was SAPA'd, the 371. And reference that the -- the -- the item three wind was looking at whether or not to make a policy change in Section 70.

And in 371, we -- the draft order adopts a process for the review of proposed transfers of interconnection facilities and related assets from lightly regulated entities to interconnection utilities and -- and really sort of tries to get rid of unnecessary process under the Public Service Law Section 70 and says we don't really need to do this aspect of it. And therefore, the policy going forward is -- is a change, and then they approve that.

I don't -- I want to make it clear there is nothing legally insufficient with changing the policy. For me, though, I've been consistent in when we are changing policy and it's being done in a single matter case. In this case, Three Wind, we need to and it's affecting other projects and other things.

I do not think it's sufficient that we rely on the fact that we're SAPAing it. And in doing so we have clearly not been as transparent to others because two things one, this SAPA didn't actually expressly indicate we were changing policy.

And the second is, when people are looking through the register and the SAPA process, if they're not -- have any interest in Three Wind, or whatever the project is, they may not actually get under the hood in looking to see where they stand on a policy change because they're not -- it's not there for them. They can't see it.

And then to have the other two that are declaratory rulings which therefore don't -- don't necessarily need SAPAs to then rely on the very policy change that's being done in 371 at the same session, just sat wrong with me. And so for me, it's consistent with kind of where I am always where we're looking at it and saying, did we give enough transparency to this. I will say, I don't necessarily think if we had followed all that, that I would disagree with the policy change.

However, because I do feel I did not necessarily allow enough transparency to that, even though it was legally sufficient to do it the way it's done, I do just point out that that's why I'm going to be voting no. Because I do think that at other times there may be significant policy changes that really need a fuller vetting. And so we shouldn't just rely on this as the way that the process is to do it in that fashion. Because it could have significant implications elsewhere, if we just did it this way even if it's legally sufficient.

All that being said, that's why I'm voting no on those three items. And I have no further comments. Thank you.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Alesi?

COMMISSIONER ALESI: No comments. So I'll be -- I'll be supporting the entire agenda.

CHAIR CHRISTIAN: All right. Thank you. Commissioner Edwards?

COMMISSIONER EDWARDS: No comments. Thank you.

CHAIR CHRISTIAN: Thank you. Commissioner Howard?

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COMMISSIONER HOWARD: I just want to make note I'll be voting no on Item 373.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Valeski?

COMMISSIONER VALESKI: I'll just highlight Item Number 161. And I'll be supporting it for all the reasons that Commissioner Burman already articulated and would hope that we'd have an opportunity to -- to review similar petitions going forward in regard to renewable natural gas projects. Thank you.

CHAIR CHRISTIAN: Thank you. And Commissioner Maggiore?

COMMISSIONER MAGGIORE: I have no comments. Thank you.

CHAIR CHRISTIAN: Thank you. And I'll bring us to call for a vote. My vote is in favor of the recommendations on the Consent Agenda. Commissioner Burman?

COMMISSIONER BURMAN: I vote yes except for 163 and 266. I am concurring. And then on 368, 369, 370 and 371 I'm a no. Thank you.

CHAIR CHRISTIAN: Thank you, Commissioner. Commissioner Alesi -- oh, sorry. I lost track. You just voted now, right. Okay. Great. Thank you, Commissioner Alesi, how do you vote?

COMMISSIONER ALESI: Yes on all items.

CHAIR CHRISTIAN: Thank you. Commissioner Edwards?

COMMISSIONER EDWARDS: Yes on all items.

CHAIR CHRISTIAN: Commission Howard?

COMMISSION HOWARD: Yes on all items except Item 373 where I am a no.

CHAIR CHRISTIAN: Perfect. Thank you. Commissioner Valeski?

COMMISSIONER VALESKI: Yes on all items.

CHAIR CHRISTIAN: Commissioner Maggiore?

COMMISSIONER MAGGIORE: Yes on all items.

CHAIR CHRISTIAN: Thank you very much. We have sufficient votes. The items are approved. And the recommendations are adopted. Thank you. Madam Secretary, is there anything further to come before us today?

SECRETARY PHILLIPS: There's nothing further today.

CHAIR CHRISTIAN: Okay, thank you. Before we adjourn I’d just like to take a moment. You know, thinking through the NANPA order and -- and thinking about what this month is, this month is Domestic Violence Awareness Month. You know, I appreciated you highlighting the creation of the suicide prevention -- sorry, the suicide prevention crisis hotline.

And I also wanted to highlight the existence of the domestic violence hotline for those who are suffering and in need. And for reference that number is 1-800-799-7233. And also take a moment to reiterate the availability of the crisis hotline, the suicide crisis hotline, which is 988 simple three-digit code.

So I encourage anyone in need, seek help. And though we can't solve all problems at least we can provide support. So with that, I want to thank everyone and adjourn today's meeting. Thank you all.

(The meeting adjourned at 12:53 p.m.)

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I, MONIQUE HINES, do hereby certify that the foregoing was reported by me, in the cause, at the time and place, as stated in the caption hereto, at Page 1 hereof; that the foregoing typewritten transcription consisting of pages 1 through 111, is a true record of all proceedings had at the hearing.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this the 17th day of October, 2022.

MONIQUE HINES, Reporter

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