GOVERNOR HOCHUL URGES CON ED TO REVIEW BILLING PRACTICES AND ANNOUNCES ACTIONS TO CONTINUE ADDRESSING SURGING ENERGY PRICES

Governor Increases Efforts to Provide Relief to New Yorkers, Encourage Low Income Residents to Apply for Millions of Dollars in Aid


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

"The extreme utility bill increases we are seeing across the state come at a time when New Yorkers are already struggling financially following the COVID-19 pandemic," Governor Hochul said. "Even though the spike we are seeing in electricity, natural gas and fuel prices were predicted and are due to severe winter weather, I am calling on Con Ed to review their billing practices because we must take unified action to provide relief for New Yorkers, especially our most vulnerable residents."

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

Heating Utility Assistance
At its October 7, 2021 session, the Public Service Commission (PSC) discussed the projected supply prices increases and steps the utilities were taking to inform customers. To address the increase in supply prices, Governor Hochul launched a statewide effort to raise awareness of the various state programs available to help struggling New Yorkers pay heating and utility expenses to avoid potential service interruptions during the cold weather months ahead. These programs announced by the Governor include:
More than $373 million in home heating aid is available through the Home Energy Assistance Program (HEAP) for low- and middle-income New Yorkers who need assistance keeping their homes warm during the winter season. So far, 1.4 million regular HEAP benefits have been received by eligible households, totaling $208 million.

Additional federal funding is available to help low-income households pay heating utility arrears. So far, 104,000 Regular Arrears Supplement benefits have been issued, and $166 million in arrears have been paid off for eligible households.

$90 million in federal funding through Emergency HEAP was made available to help low- and middle-income New Yorkers avoid having their home heating disconnected or exhausting their heating source amid fuel price increases. So far this winter, nearly 20,000 emergency HEAP benefits have been received by eligible households totaling $17.8 million.

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

PSC Chair Rory M. Christian said, "We understand that increases in winter electric and gas bills cause financial hardship. While the PSC and the utilities cannot control supply prices, utilities can improve their procurement and billing practices to reduce the likelihood of dramatic price swings in the future and we are requiring Con Edison to address this going forward."

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

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

Reduced Reliance on Fossil Fuels
As New York moves toward a greener, cleaner economy, Governor Hochul is making significant investments to diversify electricity fuel sources, primarily through renewables, to decrease the state’s reliance on fossil fuels and stabilize energy costs. Recognizing the magnitude of the climate crisis, Governor Hochul announced an ambitious renewable energy and jobs agenda in her 2022 State of the State address and Executive Budget proposal. This agenda includes the next offshore wind development solicitation; a $500 million investment for offshore wind port infrastructure
and supply chain; achieving 2 million climate-friendly, electrified or electrification-ready homes by 2030; phasing out New York's dirtiest, polluting power plants; animating the market for new clean energy technologies like green hydrogen; and ensure quality green job creation.

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

Additionally, since the onset of winter, the utilities been proactively communicating that customers' bills will be higher this winter due to increased supply prices. Such outreach and education included press releases, newsletters, utility call center representative training, YouTube videos, and social media posts.

The PSC is committed to making sure customers are aware of these programs to receive the assistance and information they need to effectively manage their energy bills. For more information on winter preparedness efforts and these assistance programs, please go to [www.dps.ny.gov/winter](http://www.dps.ny.gov/winter).

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