STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 14-M-0094 - Proceeding on Motion of the Commission to Consider a Clean Energy Fund.

CASE 18-M-0084 – In the Matter of a Comprehensive Energy Efficiency Initiative.

CASE 25-M-0249 - In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio.

ORDER AUTHORIZING LOW- TO MODERATE-INCOME ENERGY EFFICIENCY AND BUILDING ELECTRIFICATION RTFOLIO FOR 2026-2030

Issued and Effective: May 15, 2025

TABLE OF CONTENTS

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on May 15, 2025

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
John B. Maggiore, dissenting
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova, abstaining

CASE 14-M-0094 - Proceeding on Motion of the Commission to Consider a Clean Energy Fund.

CASE 18-M-0084 – In the Matter of a Comprehensive Energy Efficiency Initiative.

CASE 25-M-0249 - In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio.

ORDER AUTHORIZING LOW- TO MODERATE-INCOME ENERGY EFFICIENCY AND BUILDING ELECTRIFICATION PORTFOLIO FOR 2026-2030

(Issued and Effective May 15, 2025)

BY THE COMMISSION:

INTRODUCTION

On July 20, 2023, the Public Service Commission (Commission) issued its Order Directing Energy Efficiency and Building Electrification Proposals.[1] The Order Directing

[1] Case 14-M-0094 et al., Order Directing Energy Efficiency and Building Electrification Proposals (issued July 20, 2023) (Order Directing Proposals).

Proposals sought filings by the New York State Energy Research and Development Authority (NYSERDA) and the major investor-owned utilities (Utilities) (collectively, the Program Administrators or PAs), for individual budget-bounded Low- to Moderate-Income (LMI) and Non-LMI energy efficiency and building electrification (EE/BE) portfolios for the 2026-2030 period, consistent with the guidance set forth in the order.[2]

This Order approves, with modifications, the proposals by NYSERDA and the Downstate Utilities for the LMI EE/BE portfolio for 2026 through 2030.[3] Further, this Order establishes an administrative process for the Utilities and NYSERDA, adopts a surcharge mechanism for cost recovery of the Utilities' 2026-2030 LMI portfolio budgets, and continues a surcharge mechanism, with modification, for cost recovery for NYSERDA's 2026-2030 LMI portfolio.

BACKGROUND

On September 22, 2022, the Commission issued an Order Initiating the New Efficiency: New York (NE:NY) and Clean Energy Fund (CEF) Review, which commenced the review of a number of

[2] The Utilities include Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), KeySpan Gas East Corporation d/b/a National Grid (KEDLI), The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), National Fuel Gas Distribution Corporation (NFG), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (Niagara Mohawk), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E). For purposes of this Order, "Downstate Utilities" refers specifically to Con Edison, KEDNY, and KEDLI. "National Grid" refers to Niagara Mohawk, KEDNY, and KEDLI.

[3] The Non-LMI proposals are being addressed in a separate order being issued contemporaneously (Non-LMI EE/BE Order).

ratepayer funded clean energy programs in a sequenced manner.[4] In particular, the Order Initiating NE:NY/CEF Review directed that the review should focus first on two areas of programs, grouped together because of their interrelated content: (1) the Statewide LMI Portfolio;[5] and (2) the non-LMI EE/BE portfolio administered by the Utilities under NE:NY, and the non-LMI EE/BE components of NYSERDA's Market Development portfolio.[6] As required by the Commission, on December 20, 2022, Department of Public Service (DPS) Staff filed its Energy Efficiency and Building Electrification Report (Staff EE/BE Report) assessing the performance of the Utilities' and NYSERDA's EE/BE portfolios and outlining some initial considerations for the future direction of the portfolios.[7]

Order Directing Proposals

Informed by the Staff EE/BE Report and public comments filed in response, the Commission issued the Order Directing Proposals, which provided policy guidance and established a transparent upper budget limit for purposes of the PAs' EE/BE proposals for the 2026-2030 period. The Commission also directed the PAs to file, among other things, individual budget-bounded LMI and Non-LMI proposals. Relevant to this Order, NYSERDA and the Downstate Utilities filed their LMI proposals on

---

[4] Cases 14-M-0094 et al., Order Initiating the New Efficiency: New York Interim Review and Clean Energy Fund Review (issued September 15, 2022) (Order Initiating NE:NY/CEF Review).

[5] The Statewide LMI Portfolio is comprised of the utility-administered LMI energy efficiency programs funded through New Efficiency: New York and the portion of the Clean Energy Fund that was dedicated to the LMI market segment for the time period of 2020-2025.

[6] Order Initiating NE:NY/CEF Review, p. 12.

[7] Cases 14-M-0094 et al., Department of Public Service Staff Energy Efficiency and Building Electrification Report (filed December 20, 2022) (Staff EE/BE Report).

November 1, 2023.[8] In response to a request from DPS Staff for clarifications and additional information,[9] the PAs filed supplements to their various proposals between January 12 and 25, 2024.

To examine the proposed LMI and non-LMI portfolios to be administered Downstate, a technical conference was held in New York City on February 2, 2024. A technical conference was also held in Albany on February 8, 2024, regarding the proposed LMI and non-LMI portfolios to be administered Upstate. A further technical conference on the topic of LMI electrification was held synchronously in Albany, New York City, and online on September 20, 2024.[10]

The Order Directing Proposals specifically directed changes to the Statewide LMI Portfolio for the 2026-2030 period and set parameters for the PAs' LMI proposals, which are intended to remedy inefficiencies in the administration of the Statewide LMI Portfolio to date, improve the delivery of services to LMI households, and ensure that the Statewide LMI Portfolio for the 2026-2030 period (2026-2030 LMI Portfolio) evolves in line with New York's ambitious decarbonization and

---

[8] See Case 18-M-0084, NYSERDA Low- to Moderate-Income Energy Efficiency/Building Electrification Portfolio Proposal (filed November 1, 2023) (NYSERDA LMI Proposal), Consolidated Edison Company of New York, Inc. Low-and-Moderate Income Multi-Family Energy Efficiency and Building Electrification Portfolio Proposal Filing (filed November 1, 2023) (Con Edison LMI Proposal), and Proposal of National Grid for Low-to-Moderate Income Energy Efficiency and Building Electrification Programs (filed November 1, 2023) (National Grid LMI Proposal) (collectively, LMI Proposals).

[9] Cases 14-M-0094 et al., Department of Public Service Staff EE-BE Proposal Supplemental Information Request (filed December 14, 2023) (Supplemental Information Request).

[10] A summary of the LMI electrification technical conference was filed in Cases 14-M-0094 and 18-M-0084 on October 7, 2024.

energy equity policies. The requirements established by the Commission specifically for the LMI Portfolio are outlined below.

1. Portfolio Administration and Oversight

In the Order Directing Proposals, the Commission established different divisions of roles among the PAs with respect to the Non-LMI and LMI portfolios.[11] Relevant to the LMI Portfolio, the Commission emphasized the need to improve the administration of the portfolio to accelerate the uptake of LMI programs and the achievement of energy savings in LMI homes. To that end, the Commission directed several changes in the division of roles and responsibilities between NYSERDA and the Utilities and proposed that DPS Staff should play a more substantial role in the oversight of the LMI Joint Management Committee (LMI JMC).

With regard to the 2026-2030 LMI Portfolio in the 2026-2030 period, the Order Directing Proposals designated NYSERDA as the lead administrator of LMI one- to four-family programs statewide, affordable multifamily programs in the Upstate region, and affordable new construction programs statewide. The Commission established that NYSERDA, Con Edison, and KEDLI/KEDNY should collaboratively administer LMI programs for the affordable multifamily segment in the Downstate region. The Commission also urged NYSERDA to coordinate with the Long

[11] For the Non-LMI portfolio, the Order Directing Proposals assigned primary responsibility for delivering end-user incentive programs in the 2026-2030 period to the Utilities. The Commission assigned NYSERDA continued responsibility for programming in the areas of workforce development, codes and standards, technical assistance, purposeful demonstration pilots, and general consumer awareness and education Codes and standards, technical assistance, and purposeful demonstration pilots are addressed in the Non-LMI EE/BE Order. Workforce development and general awareness and education are addressed in both the Non-LMI EE/BE Order and in this Order.

Island Power Authority (LIPA) to align LMI program offerings on Long Island.

Along with these shifts in responsibility for administering programs, the Order Directing Proposals specified that the role of the LMI JMC should also shift to focus on collaboration in areas of interdependency between PAs, such as customer outreach and enrollment in the one- to four-family residential segment, the alignment of incentives with technical assistance in the multifamily segment, and coordination with affordable housing agencies.

To remedy some of the difficulties that have been experienced to date with the collaborative administrative structure, the Commission directed DPS Staff to play a more direct role in overseeing the LMI JMC and managing the 2026-2030 LMI Portfolio. It directed DPS Staff to take immediate action to assess the form and function of the LMI JMC, and initiate improvements to more effectively deploy ratepayer-funded LMI programs and support the transition to the 2026-2030 EE/BE framework. The Commission further directed DPS Staff to establish performance indicators to better track the progress of the LMI Portfolio.

2. LMI Program Areas

a. One- to Four-Family Residential

The Order Directing Proposals established that NYSERDA should build on its experience administering the EmPower and EmPower Plus LMI residential programs and assume the role of sole administrator of LMI one- to four-family programs statewide, beginning in 2026. The Commission indicated that budgets associated with one- to four-family programs would be collected statewide from electric and gas ratepayers and provided directly to NYSERDA for program administration purposes. The Commission expressed its expectation for the

Utilities to support NYSERDA's activities in this market segment by helping to identify and prioritize customers for service, facilitating outreach and enrollment, and supporting efficient and timely program implementation and evaluation. The Commission indicated that it would consider allowing up to three percent of the NYSERDA LMI budget to be reserved for utility coordination activities.

b. Affordable Multifamily Residential

In the Order Directing Proposals, the Commission designated NYSERDA as the sole administrator of affordable multifamily programs in the Upstate utility service territories beginning in 2026. Downstate, the Commission directed NYSERDA and the Downstate Utilities to work together to serve the affordable multifamily market segment, leveraging their respective strengths as PAs and eliminating redundancy in the services provided. The Commission stated that NYSERDA should continue its role in providing technical assistance to affordable multifamily market actors, working directly with affordable housing agencies to provide incentives and technical assistance related to clean energy upgrades, and connecting projects being served by utilities with financing opportunities offered through the New York Green Bank (NYGB).

The Commission directed NYSERDA and the Downstate Utilities to agree upon an effective implementation model. The Order Directing Proposals specifically required NYSERDA and the Downstate Utilities to articulate a program design that considers both regulated housing and naturally occurring affordable housing, and addresses "how affordable multifamily buildings can access technical assistance and incentives in a cohesive manner, how buildings that may need access to finance are made aware of finance offerings through the NYGB and available federal subsidies, and how customers of Con Edison and

[KEDNY/KEDLI] can receive holistic service through one offering."[12]

c. Affordable New Construction

The Order Directing Proposals directed that NYSERDA should continue as the sole administrator of programs in the Affordable New Construction market segment.

3. Budget Bounding

In the Order Directing Proposals, the Commission discussed the magnitude of EE/BE investments needed to achieve the goals of the Climate Leadership and Community Protection Act (CLCPA), but emphasized that the scale of the EE/BE efforts required to comply with the CLCPA objectives cannot be met by ratepayer funding alone.[13] For that reason, the Commission adopted a "budget-bounded" approach that would establish a transparent upper limit on ratepayer funded EE/BE programs. For purposes of the Utility and NYSERDA proposals, the Commission established an upper budget limit of $1 billion per year in total, between LMI and Non-LMI programs. In addition, the Order Directing Proposals allocated 30 percent of overall EE/BE budgets to the LMI market segment and 70 percent to the Non-LMI market segment, and provided individual annual allocations by PA. While PAs were expected to adhere in their proposals to their respective total budgets, the Commission granted them flexibility to propose annual allocations that differed from those established by the Order Directing Proposals. The Commission also stated that it expected the PAs to seek to leverage federal funding opportunities such as those available through the Inflation Reduction Act (IRA), and other federal

[12] Order Directing Proposals, p. 53.

[13] Order Directing Proposals, p. 87.

programs, and directed the PAs to demonstrate in their proposals how they plan to obtain and deploy such funds.

4. Strategic Framework

In the Order Directing Proposals, the Commission adopted a "Strategic Framework" to guide the evolution of the EE/BE portfolios and ensure that they are aligned with New York's energy efficiency and emissions reduction policy objectives. The Commission adopted definitions for "Strategic," "Neutral," and "Non-Strategic" measure categories (see Appendix A), and directed that the EE/BE proposals should reflect a minimum of 85 percent of portfolio budgets allocated to Strategic measures or programs, up to 15 percent of portfolio budgets allocated to Neutral measures or programs, and no funding allocated to Non-Strategic measures or programs. The Order Directing Proposals stated that modifications or exceptions to the Strategic Framework might be considered in the case of the 2026-2030 LMI Portfolio for Non-Strategic measures that "meaningfully advance energy affordability."[14]

5. Disadvantaged Communities

The Order Directing Proposals included guidance to the PAs regarding the allocation of benefits to Disadvantaged Communities. First, the Commission directed PAs to ensure that benefits to Disadvantaged Communities result not only from their LMI portfolios, but also from their Non-LMI portfolios. Second, the Commission clarified its interpretation of the CLCPA requirement that at least 35 percent, and a goal of 40 percent, of the benefits of clean energy and energy efficiency investments accrue to Disadvantaged Communities (CLCPA Investment and Benefits Requirement). The Commission indicated its expectation that benefits to Disadvantaged Communities

[14] Order Directing Proposals, p. 35.

should result from the Non-LMI EE/BE portfolio, as well as the 2026-2030 LMI Portfolio. The Commission also stated that it views the CLCPA Investment and Benefits Requirement as applying to the total ratepayer-funded portfolios collectively, rather than to each PA's portfolios individually. Third, the Commission instructed the PAs to include in their EE/BE proposals specific steps they will take to deliver benefits to Disadvantaged Communities.

Specifically in the context of the 2026-2030 LMI Portfolio, the Order Directing Proposals noted that, pursuant to the Disadvantaged Communities Criteria finalized by the New York State Climate Justice Working Group on March 27, 2023, low-income households, defined as households with annual incomes at or below 60 percent of the State Median Income (SMI), are considered Disadvantaged Communities for the purposes of clean energy and EE/BE investments and benefits reporting.[15] The Commission directed DPS Staff to work with the PAs to effectuate more discrete tracking of LMI program information related to budgets, expenditures, and benefits between "low" and "moderate" income customers, to integrate reporting of that information into existing reporting schedules, and to update relevant guidance documents.

LMI EE/BE PROPOSALS

The EE/BE proposals filed by the PAs were generally responsive to the requirements set forth in the Order Directing

[15] See New York State Climate Justice Working Group, 2023 Disadvantaged Communities Criteria – Final Report (issued January 14, 2025), available at: https://climate.ny.gov/-/media/Project/Climate/Files/Disadvantaged-Communities-Criteria/Technical-Documentation-on-the-Disadvantaged-Communities-Criteria---Final-Version.pdf (Disadvantaged Communities Criteria Final Report).

Proposals; however, they vary in the level of detail in their proposed programs, strategies, and regulatory structures for the 2026-2030 period. Major, LMI-specific elements of the proposals are summarized below.

One- to Four-Family Residential

1. Con Edison

In the Order Directing Proposals, the Commission established that NYSERDA would be responsible for administering one- to four-family LMI programs for 2026-2030. Con Edison was not required to include a proposal for this market segment.

2. National Grid

In its proposal, National Grid explains that NYSERDA will be taking over as the sole program administrator for funds supporting EE/BE programs for LMI customers residing in one- to four-family homes, statewide. Accordingly, National Grid's proposal outlines plans for transitioning LMI one- to four-family programming to NYSERDA in its different service territories. National Grid proposes that, given the overlap between LMI households and Disadvantaged Communities, it will work with NYSERDA in all its service territories to avoid market confusion and guide customers to the appropriate programs.

In accordance with the Order Directing Proposals, National Grid states that for the KEDNY service territory, it will no longer allocate funds from its LMI portfolio to NYSERDA's EmPower Plus program. To prepare for the transition of one- to four-family programs to NYSERDA, and to account for the ramp-up of the Affordable Multifamily Energy Efficiency Program (AMEEP), National Grid proposes to decrease the amount of funding transferred to NYSERDA for EmPower Plus through 2025.

For KEDLI, National Grid explains that the transition of all LMI one- to four-family programming to NYSERDA includes the transition of KEDLI's Home Energy Affordability Team (HEAT) program to NYSERDA, effective 2026. While the KEDLI HEAT program is currently aligned with NYSERDA's EmPower Plus program in many ways, National Grid proposes to file a detailed transition plan for the KEDLI HEAT program, including plans for completing HEAT projects beyond 2025, and to work with NYSERDA to ensure a smooth transition for HEAT customers.

For the Niagara Mohawk service territory, National Grid explains that it refers customers to EmPower Plus and runs email and text messaging campaigns, including providing a link to an online application for EmPower Plus to eligible customers. National Grid proposes to continue these and other outreach and education activities through 2025; after 2025, it proposes to continue conducting outreach to customers using a utility coordination budget supported by NYSERDA. While National Grid does not currently refer customers to EmPower Plus in its KEDNY or KEDLI service territories, it proposes to begin doing so in 2026, modeling its referral and outreach strategies on those currently used in Niagara Mohawk. For KEDNY customers, National Grid proposes to coordinate with Con Edison to avoid duplicate referrals.

To support these and other coordination activities, National Grid requests a share of the three percent of NYSERDA's LMI portfolio budget that the Commission indicated it would consider allocating to such purposes. Based on NYSERDA's provisional annual LMI portfolio budget of $200 million, National Grid estimates its share of the three percent allocation to total $1,535,951 ($203,708 for KEDLI, $314,894 for KEDNY, and $990,348 for Niagara Mohawk). National Grid states that, in addition to EmPower Plus referrals, this funding could be used to support coordination with NYSERDA and Con Edison around AMEEP administration and with PSEG Long Island (PSEG-LI) in KEDLI's service territory. National Grid further asserts that this utility coordination funding could support collaboration with NYSERDA’s Regional Clean Energy Hubs.

3. NYSERDA

NYSERDA proposes to build on its current EmPower Plus program to serve the LMI one- to four-family market segment statewide in 2026-2030. Through EmPower Plus, NYSERDA proposes to provide a streamlined set of program offerings that deliver comprehensive energy efficiency, electrification-readiness, and electrification measures and services. NYSERDA will also incorporate multiple funding sources into projects and simplify participation for customers and contractors. NYSERDA’s proposal emphasizes the importance of maintaining energy affordability for LMI households and presents program design elements intended to prioritize that objective, including support for phased and partial electrification solutions. NYSERDA proposes modifications to both the Direct Install and Comprehensive Track components of the current EmPower Plus program and outlines plans to improve customer referral, intake, and engagement processes.

EmPower Plus provides home energy assessments and Direct Install measures identified during the assessments at no cost to the customer. For the Direct Install component of EmPower Plus, NYSERDA proposes to eliminate incentives for efficient lighting as a standalone measure beginning in 2026. NYSERDA proposes to monitor other measures over time to determine their continued need for support and revise the eligible measure mix as appropriate.

For the Comprehensive Track of EmPower Plus, low-income households can receive incentives for up to the full cost of eligible improvements, and moderate-income households can receive incentives up to a set amount. NYSERDA states that it will explore appropriate project caps in light of IRA rebate opportunities and the integration of affordable electrification offerings.

NYSERDA proposes to expand EmPower Plus offerings to include pre-qualified packages of home load reduction measures designed to make homes electrification-ready, in addition to the fully custom Comprehensive Track. With these standard or semi-custom packages, NYSERDA would be applying an approach developed through its Comfort Home pilot program. NYSERDA states that it will improve the program by streamlining work scope development, simplifying pricing, and facilitating integration with rebates available through the IRA.

NYSERDA proposes to continue its "efficiency first" approach to electrification for LMI one- to four-family homes. Specifically, NYSERDA proposes that "LMI one- to four-unit residential homes should meet a minimum envelope performance requirement before being assessed or incentivized for full load efficient electrification."[16] NYSERDA proposes to develop, over the next two years, a framework for defining "electrification-ready" envelope performance specifications across housing types and climate zones to facilitate a consistent statewide approach. NYSERDA proposes to consider envelope requirements for part-load electrification as part of this work.

While NYSERDA notes the increasing centrality of electrification to the State's EE/BE portfolios, it also cautions that some LMI residences are not optimal candidates for full electrification. In cases where full electrification may increase a customer's energy bills, NYSERDA proposes to support phased and partial approaches to electrification. NYSERDA notes that its current estimates of the benefits driven by its investments in the one- to four-unit market segment do not

[16] NYSERDA LMI Proposal, p. 25.

account for the potential adoption of partial load electrification. NYSERDA anticipates filing an updated implementation plan before 2026 with updated forecasts based on further analysis of and experience with phased and partial approaches to electrification.

In its proposal, NYSERDA highlights its track record of effectively combining multiple funding sources with ratepayer funds to achieve a greater breadth and coverage of its programs and maximize benefits to customers.[17] Throughout its proposal, NYSERDA highlights how IRA funding can be incorporated into EmPower Plus, including the potential for federal funding to be used to fund improvements related to but outside the traditional scope of ratepayer-funded EE/BE programs, such as electrical system upgrades.

NYSERDA's proposal also details plans for improving the process by which LMI customers are referred to EmPower Plus. NYSERDA notes that the Utilities are uniquely positioned to identify LMI customers who could benefit from EmPower Plus, including those participating in the Energy Affordability Program, those in arrears, and those with high household energy consumption. NYSERDA proposes that, in order to increase the conversion of leads to program enrollments, the Utilities should: (1) provide NYSERDA with additional customer information, including contact information; (2) take responsibility for managing the quality of referral data; and (3) more actively promote EmPower Plus to eligible customers. NYSERDA also indicates that the Regional Clean Energy Hubs will

[17] Other funding sources administered by NYSERDA include the Regional Greenhouse Gas Initiative (RGGI), funds allocated by the NYS Office of Temporary and Disability Assistance (OTDA) to support weatherization for recipients of the Home Energy Assistance Program (HEAP), funds allocated to NYSERDA through statutory or other means, and federal funds.

play a role in increasing customer enrollment, and the Utilities should refer customers to the Hubs where appropriate.

In identifying potential EmPower Plus customers and targeting outreach, NYSERDA states that the Utilities should "consider income eligibility, energy usage, geographic utility needs (to ensure local grid conditions can support home electrification or where there are gas constraints), electric rates, and other key criteria as identified by the Utilities and NYSERDA."[18] NYSERDA indicates that it will work with DPS Staff and the Utilities to make additional improvements to the process and determine how to best collect and manage enhanced referrals.

NYSERDA further expects that activities it proposes to fund through its General Consumer Awareness and Education budget, including the Statewide Residential Engagement Website, a one- to four-unit residential engagement platform, and the continuation of is Energy Advisor website, will facilitate access to EmPower Plus, improve customer experience, and reduce customer acquisition costs. NYSERDA proposes to dedicate up to one percent of its LMI portfolio budget to support the Utilities' outreach and engagement activities described above, as well as delivering leads for the Upstate Affordable Multifamily program. NYSERDA states that it will work with the Utilities to monitor the need for additional support.

Multifamily Residential

Con Edison, National Grid, and NYSERDA propose to continue to serve the Downstate LMI multifamily sector and maintain the current structure in which NYSERDA provides technical assistance to all eligible buildings through its Flexible Technical Assistance program (FlexTech) program. NYSERDA also provides EE/BE project funding through its Direct

[18] NYSERDA LMI Proposal, p. 29.

Injection Program to regulated affordable multifamily buildings pursuing refinancing, and Con Edison and National Grid provide EE/BE incentives to all other LMI multifamily buildings through the AMEEP.

Con Edison, National Grid, and NYSERDA propose to streamline the application and project management process for LMI multifamily customers who may be interacting with multiple PAs at different stages of their EE and BE projects. They propose to explore the development of a common application system that would automatically direct customers to the programs for which they are eligible. Con Edison, National Grid, and NYSERDA also propose to consider developing a common database or project management system that would allow PAs and potentially housing agencies to share project and customer data, improving their ability to track the progress of EE/BE projects and customers' participation across programs and over time.

To serve the Upstate multifamily residential market segment, NYSERDA proposes to launch a new Upstate LMI multifamily program, in addition to its statewide Direct Injection and FlexTech programs.

Individual elements of Con Edison's, National Grid's, and NYSERDA's proposals are discussed below.

1. Con Edison

Con Edison proposes to continue efforts already underway to improve AMEEP, including simplifying program requirements and streamlining participation for customers and contractors, expanding and diversifying the pool of participating contractors, structuring incentives to enable phased and longer-term projects, and coordinating program offerings and communications with federal funding opportunities. Con Edison proposes to begin incorporating BE offerings into AMEEP by 2026. Con Edison emphasizes that this evolution must be managed to ensure that electrification does not adversely impact energy or housing affordability, and proposes to work with DPS Staff, NYSERDA, National Grid, New York State Homes and Community Renewal (HCR), and the New York City Housing Preservation Department (HPD) to avoid these outcomes. Con Edison also proposes to prioritize building envelope and efficiency improvements in buildings pursuing electrification so that new heating systems can be efficiently sized and costs controlled.

Con Edison proposes to offer incentives for both full-load and supplemental or partial systems (with higher incentives for full electrification), stating that these options may be more feasible for larger buildings. Similarly, Con Edison proposes to offer incentives for both full and supplemental or partial electrification of hot water systems, and to develop an approach for incentivizing advanced controls that integrate with existing fossil systems and prioritize the use of heat pumps.

Con Edison recommends modifying the methodology used to characterize multifamily buildings as "low-income" for the purposes of reporting towards the CLCPA Investments and Benefits Requirement. Con Edison proposes that, for AMEEP projects serving buildings outside of Disadvantaged Community census tracts, 49 percent of the spending and savings associated with the project should be counted as low-income investments and benefits, as opposed to the 40 percent indicated in DPS Staff's CE-12 Guidance Document.[19] Con Edison states that this recommendation is based on U.S. Census data that suggests that

[19] See Clean Energy Guidance Document CE-12, "CLCPA-Disadvantaged Communities Investment and Benefits Reporting Guidance" available at: https://dps.ny.gov/system/files/documents/2023/10/disadvantaged-communities-guidance.pdf (CE-12 Guidance Document).

approximately 49 percent of New York households living in affordable housing meet the State's definition of low-income.

2. National Grid

National Grid proposes for KEDLI and KEDNY to continue serving as the primary administrators for gas EE incentives through AMEEP. National Grid proposes that KEDLI and KEDNY, as gas-only utilities, will not offer incentives for beneficial electrification; rather, those incentives will be provided by the customer's electric utility. National Grid also proposes to continue offering incentives for gas replacement equipment in 2026-2030, but to steeply ramp down those incentives over time to encourage the transition to full electrification.

In its KEDLI service territory, National Grid indicates that it plans to coordinate with PSEG-LI to provide a seamless experience for LMI multifamily customers applying for both gas and electric EE/BE incentives. National Grid proposes to work with PSEG-LI to develop clear, accessible referral and application processes and to determine where gas and electric offerings might be coordinated within a common scope of work.

3. NYSERDA

a. Statewide Direct Injection Program

NYSERDA proposes to continue to offer its statewide Direct Injection Program in coordination with HCR and HPD, which provides funding for EE/BE improvements for regulated affordable multifamily buildings at the point of refinancing. NYSERDA proposes to update the program for the 2026-2030 period by shifting toward comprehensive weatherization/electrification building retrofit projects. NYSERDA would continue to work with the housing agencies and authorities to address market barriers such as supply chain delays, labor shortages, and increased borrowing costs, and to assess incentive and technical assistance needs over time in the context of changes in market capacity, funding opportunities, standards, and regulations. NYSERDA would also continue to work with lenders, including the NYGB and New York City Energy Efficiency Corporation, "to support the integration of decarbonization as a standard practice at the point of refinancing for affordable multifamily properties."[20]

b. Upstate LMI Multifamily Program

NYSERDA proposes to develop a program that builds off the experiences of both EmPower Plus and AMEEP to serve Upstate LMI multifamily buildings with EE and BE incentives and services. NYSERDA states that all affordable buildings with five or more units would be eligible for the program, but notes it is exploring whether some low-rise building typologies might be better served through EmPower Plus.

NYSERDA proposes to focus the program on "retrofits and delivering measures that reduce the overall energy use and maintenance costs while increasing building operating efficiencies and improving tenant comfort."[21] As with EmPower Plus, NYSERDA proposes to take an "efficiency first" approach to electrification, noting that more work is needed to develop minimum envelope performance specifications and solutions that avoid shifting heating costs from landlords to tenants.

The proposed program would adopt the tiered structure used in AMEEP, in which building owners follow either a prescriptive or a comprehensive pathway. As in AMEEP, to pursue the comprehensive pathway, a customer must first undertake a technical assistance study through FlexTech or a comparable program. NYSERDA proposes requiring customers pursuing partial or full electrification to complete a FlexTech study to evaluate

[20] NYSERDA LMI Proposal, p. 35.

[21] NYSERDA LMI Proposal, p. 33.

the impacts of proposed measures on the building load profile and tenants' or residents' energy affordability.

c. Technical Assistance

NYSERDA proposes to streamline its current technical assistance offerings for multifamily LMI buildings under the banner of its statewide FlexTech program. Through FlexTech, NYSERDA plans to continue sharing the cost of energy and retro-commissioning studies, decarbonization and resiliency plans, and energy master planning. NYSERDA states that it will work with the Utilities and other market actors to better align the scope of technical studies with available end-use incentives, ensuring, specifically, that "measures identified in a FlexTech report will include a calculation of estimated energy savings based on the Technical Resource Manual to ensure consistency with the utility implementation contractor."[22] NYSERDA also proposes to identify process improvements that result in higher conversion rates from studies to advancing projects.

Affordable New Construction

Due to changes in building codes and State legislation, NYSERDA proposes to cease providing direct subsidies for high-performance, all-electric affordable new construction through its existing Affordable New Construction initiative. As this initiative draws to a close, NYSERDA states that it will continue to provide technical assistance related to affordable new construction, with a special focus on support for housing agencies, and will work with land banks and municipalities to promote adaptive re-use of existing construction.

[22] NYSERDA LMI Proposal, p. 37.

NYSERDA Market-Supporting Activities

NYSERDA divides its proposals for workforce development and general awareness and education between its LMI and Non-LMI portfolios. The portions related to NYSERDA's LMI portfolio for the 2026-2030 period are summarized below.

1. Workforce Development

NYSERDA proposes to continue three of its existing workforce development offerings: Clean Energy Career Pathways Training Cohorts, Targeted Skills Training and Upskilling, and "Earn as You Learn" Wage Reimbursement and Retention Incentives. NYSERDA proposes to modify these offerings to align with the Strategic Framework and focus on serving residents of Disadvantaged Communities and other "priority populations."[23] NYSERDA proposes to close the Climate Justice Fellowship program and seek other funding sources to support the Clean Energy Internship, Career Awareness and Outreach in K-12 Schools, and Building Operations and Maintenance Training programs.

2. General Awareness and Education

Because NYSERDA's General Awareness and Education activities bridge the LMI and Non-LMI portfolios, NYSERDA proposes to divide funding for those activities equally between the two portfolio budgets, while tracking impacts and benefits separately by segment. General Awareness and Education activities proposed under NYSERDA's LMI portfolio include expanded outreach to promote weatherization for LMI customers, and four initiatives focused on engaging Disadvantaged

[23] For the purposes of its workforce development programs, NYSERDA defines "priority populations" as residents of Disadvantaged Communities, "veterans, individuals with disabilities, incumbent or unemployed fossil fuel workers, previously incarcerated individuals, homeless individuals, single parents, and 16- to 24-year-olds who are enrolled or have completed a comprehensive work preparedness training program." NYSERDA LMI Proposal, n. 42.

Communities. The NYSERDA LMI Proposal also highlights the role that NYSERDA's Statewide Residential Engagement Website will play in reaching LMI customers, providing them with information about EE/BE solutions, and directing them to programs and opportunities for which they are eligible.

NYSERDA proposes an expanded weatherization outreach effort, which would focus on educating LMI customers about critical weatherization actions to increase home comfort, decrease energy consumption, and prepare homes for electrification. This effort would also provide vendors and contractors with resources to better engage and support LMI customers.

Regarding the four Disadvantaged Community Outreach and Engagement initiatives to be funded through its LMI portfolio, NYSERDA first proposes to continue directing ratepayer funding to the Regional Clean Energy Hubs. NYSERDA proposes to continue using the Hubs as NYSERDA's primary vehicle for conveying information about LMI programs and assistance to residents of Disadvantaged Communities, and to expand their services in the following areas: project coordination assistance, workforce and small business engagement, community campaigns, local pilot projects, and facilitation of Disadvantaged Community engagement for both NYSERDA and the Utilities.

Second, NYSERDA proposes to continue supporting the Energy Equity Collaborative, an informal advisory body comprised of community-based organizations representing Disadvantaged Communities across the state. The Energy Equity Collaborative provides a venue in which stakeholders can engage in the process of designing NYSERDA programs and provide input on how to reduce barriers to clean energy access in Disadvantaged Communities, including barriers to EE/BE.

Third, NYSERDA proposes to continue its Disadvantaged Communities Stakeholder Services Pool and Disadvantaged Communities Stakeholder Reimbursement protocol. These mechanisms are designed to increase the number and diversity of Disadvantaged Community stakeholders providing input on NYSERDA program design and delivery, and compensate under-resourced organizations or individuals for their time and expertise through short-term engagements ranging from one day to a few sessions in a period of months.

Fourth, NYSERDA proposes a new Decarbonization Opportunity Prize program. Through this initiative, NYSERDA would allocate ratepayer funding to support the initial phases of a competition to develop community-led, neighborhood-scale building decarbonization plans in Disadvantaged Communities. NYSERDA proposes to seek competitive federal funding opportunities to support the project implementation phase of this initiative. In reply comments filed on March 27, 2025, however, NYSERDA indicated that it would not be proceeding with the Decarbonization Opportunity Prize program.

Strategic Framework

Con Edison, National Grid, and NYSERDA propose several modifications to the Strategic Framework for measures that support energy affordability for LMI customers.

Con Edison proposes to classify lighting measures and appliances such as refrigerators as Neutral for LMI projects. For LMI multifamily and low-income one- to four-family programs, NYSERDA proposes classifying lighting measures as Strategic when they constitute a small portion of overall expenditures in a comprehensive project. NYSERDA also proposes considering refrigerators as Strategic for these sectors when they meaningfully contribute to energy affordability.

NYSERDA proposes to classify some Direct Install measures as Neutral for LMI multifamily and one- to four-family programs, including low-flow shower heads, advanced power strips, thermostats, and pipe insulation.

Con Edison, National Grid, and NYSERDA all propose that for LMI multifamily programs, some gas efficiency measures with expected useful lives (EULs) of less than six years should be considered Neutral instead of Non-Strategic, for example, steam traps, furnace and boiler tune-ups, and wall air conditioner covers. Con Edison and National Grid propose to classify gas combustion devices as Neutral for LMI multifamily programs.

NYSERDA proposes that health and safety upgrades that are necessary to pursue further efficiency and electrification measures should be classified as Neutral for both multifamily and one- to four-family LMI programs.

NYSERDA and Con Edison also propose modifications related to partial or hybrid electrification. NYSERDA proposes considering partial electrification as Strategic for both one-to-four family and multifamily buildings: (1) when heat pumps provide more than 50 percent of a building’s space heating and/or domestic water heating load; or (2) when heat pumps are displacing less than 50 percent of that load, but are replacing heating equipment that has reached end-of-life and the choice is between partial electrification or further investment in fossil fuel systems. Con Edison states that it “plans to incentivize supplemental and hybrid systems that demonstrate energy savings and emission reductions,” but will offer higher incentive rates for projects that fully electrify and will incentivize advanced controls that integrate heat pumps with fossil fuel systems in such a way that heat pumps are prioritized.[24]

Con Edison and National Grid propose that all LMI multifamily comprehensive work scopes should be considered Strategic.

Metrics

1. Con Edison

Con Edison proposes that the primary regulatory target for its LMI portfolio should be expressed in Lifetime Million British Thermal Units (LMMBtu) savings from electrification and building envelope measures, subject to a guardrail for all energy savings achieved. This guardrail mechanism would trigger a review if Con Edison achieves less than 60 percent of total planned lifetime energy savings in a given year. Con Edison specifies that it should be subject to a single all-commodity target, as opposed to separate targets for gas and electric savings.

2. National Grid

National Grid proposes two primary targets for its LMI portfolio. The first would be expressed in annual savings measured in LMMBtu, and the second would measure the proportion of spend directed to Strategic measures. National Grid notes that a target for spending and benefits in Disadvantaged Communities may be adopted in the future, pursuant to further guidance from DPS Staff or the Commission.

In addition to these primary regulatory targets, National Grid proposes to track and report the following metrics for informational purposes: (1) annual MMBtu savings; (2) annual participation; and (3) number of homes weatherized. Additionally, National Grid expresses interest in working with

[24] Con Edison LMI Proposal, p. 28.

DPS Staff and other PAs to develop a greenhouse gas (GHG) reduction scorecard metric.

3. NYSERDA

NYSERDA proposes an overall energy savings target for its LMI portfolio expressed trillion Btu-equivalent (TBtu-e) annual savings, but is not opposed to expressing this target in lifetime TBtu-e savings if the Commission adopted a primary lifetime savings metric across all PAs. While NYSERDA proposes that the primary target for its LMI portfolio should be fuel neutral, it states that it would also track electric and other fuel usage and savings separately. This separate tracking by commodity would enable NYSERDA to report on associated carbon dioxide equivalent (CO_2e) emissions reductions and participant bill savings.

In addition to a primary direct energy savings target, NYSERDA proposes to track and report on metrics according to its LMI Portfolio Outcomes Performance Model. To measure energy, emissions, and bill savings resulting from its LMI portfolio activities, NYSERDA proposes to track both direct and indirect energy savings, as well as CO_2e emissions reductions and participant bill savings associated with each. To measure customer reach, NYSERDA proposes to track investments in Disadvantaged Communities and the number of housing units served by its programs. To measure market transformation, NYSERDA proposes to track information according to its Common Metrics Framework, which it continues to refine.

Budgets and Targets

As proposed, the EE/BE LMI budgets total $1.57 billion from 2026-2030, inclusive of utility labor costs, with associated estimated savings of 83 million lifetime MMBtu-equivalent (LMMBtu-e). These budgets represent the funding allocated through the Order Directing Proposals, with an additional $44.6 million that represents utility labor costs, which are incremental to the originally authorized budgets, and $23.9 resulting from Con Edison's proposed shift between its Non-LMI and LMI portfolios to better balance its electrification and weatherization efforts within its portfolio achievement. In addition, through its "Expanded Portfolio Plan", Con Edison proposed a budget of $533.2 million over the course of 2026-2030, or $139 million over the budget allocated in the Order Directing Proposals, to support the level of program activity that the Company deems necessary to achieve State policy goals.

Budget Flexibility

Each PA proposes mechanisms that would allow them limited flexibility to shift budgets and targets between years to help them manage their portfolios to achieve annual targets and respond to market developments, as necessary, through 2030. Con Edison proposes that PAs should be permitted to spend up to 30 percent of the following year's budget in the current year, with the energy savings achieved to be applied to the savings achieved in the following year. Con Edison asserts that this approach would help to support projects in years when funds are fully committed, allowing projects to avoid delay until funding is renewed in the next program year. This approach would also reduce administrative burden, avoiding the need for PAs to recalculate budgets and savings when shifts occur. Further, Con Edison requests flexibility to shift up to 50 percent of annual budgets between electric and gas.

National Grid proposes that PAs should have the ability to shift up to 20 percent of their annual portfolio budgets between years without further Commission approval. The PAs would reflect the budget shifts in the next reporting cycle. Further, National Grid proposes that PAs should file petitions seeking Commission approval to shift budgets between years, if a budget shift exceeding 20 percent is necessary.

NYSERDA requests unlimited flexibility to shift funds between years and programs, as more granular annual budget requirements would create too much rigidity. Further, NYSERDA proposes that any over- or under-spending greater than 25 percent of the annual budget in a given year would trigger a review by NYSERDA and discussion with DPS Staff as to the reasons for the variance in spend and the actions that will be pursued to either correct or adjust, with the agreed-upon actions to be documented in NYSERDA’s Operating Plan.

Cost Recovery

Con Edison and NYSERDA propose to recover EE/BE costs through a surcharge. Con Edison also proposes recovering all EE/BE labor costs, which are currently collected through base rates, through a surcharge. National Grid proposes to continue recovering EE/BE costs through base rates.

NYSERDA proposes an equal split (i.e., 50/50) of collections between electric and gas ratepayers, but states that it would be amenable to other possible splits of this funding that the Commission may deem appropriate. NYSERDA also states that its proposed schedule of collections is designed “to align collections with expenditures to minimize the likelihood of building up excess NYSERDA and Utility cash balances.”[25] NYSERDA supports continued surcharges to customers on a volumetric basis. NYSERDA states that its LMI portfolio must be administered on a fuel-neutral basis to all customers paying the Systems Benefit Charge (SBC), regardless of whether a customer pays in through electric or gas collections. NYSERDA proposes to continue collecting the funds from the Utilities through the

[25] NYSERDA LMI Proposal, p. 68.

existing "Bill-As-You-Go" mechanism in place under the current CEF orders. NYSERDA expresses a willingness to entertain other approaches to cost recovery to reduce the variability of collections over time, provided those approaches minimize the possibility of cash shortfalls.

With respect to NYSERDA EE/BE costs, Con Edison proposes that these costs be attributed across utility customers with consideration for the level of expenditures within utility service territories. For NYSERDA LMI incentive programs, the incentive and non-incentive costs (e.g., program implementation costs) would be allocated to each utility's customers in proportion to the EE/BE project incentives paid in each utility's service territory. Other costs, such as workforce development, would be allocated based on the utility's 2025 share of statewide electric and gas volumes, respectively.

NOTICES OF PROPOSED RULE MAKINGS

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), Notices of Proposed Rule Makings (Notices) regarding the LMI Proposals were published in the State Register on February 14, 2024 [SAPA Nos. 18-M-0084SP11, 18-M-0084SP13, and 18-M-0084SP19]. The time for submission of comments pursuant to the Notice expired on April 15, 2024.

The Secretary to the Commission (Secretary) also issued a Notice Soliciting Comment and Announcing Technical Conferences (Secretary's Notice) on January 26, 2024, seeking comments by April 15, 2024. In an email to the Secretary dated April 5, 2024, the New York State Association of Counties, New York Conference of Mayors, and Association of Towns requested an extension of the comment deadline in the Secretary's Notice. On April 10, 2024, the Secretary issued a Notice Extending Comment

Period, thereby extending the comment deadline until May 15, 2024.

In response to the above notices, the Commission received approximately 200 sets of comments. Comments pertaining to the LMI portfolio are summarized and addressed below within the relevant sections of the Discussion. Additional comments on the EE/BE proposals are discussed in the Non-LMI EE/BE Order.

LEGAL AUTHORITY

The Commission has the responsibility and authority under the Public Service Law (PSL) to ensure that utilities carry out their public service responsibilities with economy, efficiency, and care for the public safety, the preservation of environmental values and the conservation of natural resources.[26] Pursuant to the State Energy Law, the Commission is required to consider actions to effectuate State energy policy and the New York State Energy Plan,[27] which includes increased energy efficiency as a major contributor to New York's energy future. In fulfilling the mandates of the PSL and the State Energy Law, the Commission has directed the development and implementation of a number of programs to increase the deployment of energy efficiency resources in New York State, including NE:NY and the CEF. The activities directed and authorized in this Order will continue and build upon the progress made through those programs. Furthermore, these actions are in accordance with the CLCPA, which specifically authorizes the Commission, as well as other state agencies, to take actions to contribute to achieving the statewide GHG emission limits.

[26] PSL §5(2); see also PSL §66(3).

[27] State Energy Law §§3-103 and 6-104.

DISCUSSION

Energy affordability and access to clean energy solutions for LMI customers are primary policy objectives of the Commission. The Commission has a long-standing policy of implementing energy efficiency programs to provide benefits to individual building owners, including LMI customers, but also to provide broader electric system benefits to all ratepayers. By reducing the amount of energy needed to heat and cool a home, and run appliances, weatherization and energy efficiency can lower total system costs for all ratepayers and serve as important resources to the electric grid and natural gas system. Reducing demand on the grid promotes grid reliability and can contribute to a reduction in costs associated with grid operations. Similarly, reducing natural gas consumption, particularly in areas with gas constraints, can help to forego investments to expand the gas system.

Building on the suite of programs administered under the Statewide LMI Portfolio, the 2026-2030 LMI Portfolio will address barriers to adoption of energy efficiency and weatherization upgrades for LMI households and owners and operators of affordable multifamily buildings, while providing early-stage support for electrification in the LMI market segment. The Commission expects that these programs will serve as foundational efforts to advance the Commission’s overall energy affordability objectives, including the Energy Affordability Policy, which sets a goal for low-income customers to pay no more than six percent of their annual income towards their utility costs, by driving long-term energy burden reductions through energy efficiency and weatherization upgrades.[28] In this manner, the Commission expects that EE/BE programs will help to increase the overall impact of public funds directed at improving access and affordability in the LMI market segment, when coordinated with ratepayer-funded bill payment assistance and clean energy programs that target the LMI market segment.[29] In addition, this portfolio of programs will contribute towards the State's climate goals under the CLCPA by reducing GHG emissions from the buildings sector by weatherizing homes and buildings, and pursuing strategic electrification.

New York State's LMI population is large and diverse, with 3.5 million households with annual incomes at or below 80 percent of the greater of SMI or Area Median Income (AMI). Approximately 2.3 million of these households have an annual income at or below 60 percent of SMI. Nearly 59 percent of these households reside in one- to four-family homes, while the balance reside in multifamily buildings. In addition, 63 percent of LMI households are renters.[30] The 2026-2030 LMI Portfolio, inclusive of both NYSERDA and the Downstate Utilities' efforts, consists of $300 million annually from 2026 through 2030 to support adoption of energy efficiency and

[28] See Case 14-M-0565, Programs to Address Energy Affordability for Low Income Utility Customers, Order Adopting Low Income Program Modifications and Directing Utility Filings (issued May 20, 2016).

[29] The Energy Affordability Program, administered by the Utilities, provides monthly bill payment assistance to low-income customers to help lower their energy burden. Clean energy programs such as the NY-Sun Solar Energy Equity Framework provide funding to address barriers to accessing solar for the LMI market segment, including affordable housing.

[30] See NYSERDA, New York State Low- to Moderate-Income Census Population Analysis Tool, available at: https://www.nyserda.ny.gov/About/Publications/Evaluation-Reports/Low--to-Moderate-Income/LMI-Census-Population-Tool.

building electrification across one- to four-family homes and affordable multifamily buildings, while also providing market development supports in the form of workforce development and initiatives to increase awareness and engagement within this market segment. Achieving the greatest impact with the funding available is paramount to the Commission, and in authorizing the 2026-2030 LMI Portfolio, the Commission seeks to achieve the following objectives:

- reducing energy consumption and cost for households that are experiencing the greatest energy burden;
- maximizing the impact of ratepayer funds through effective coordination, the leveraging of other funding sources, and administrative efficiencies;
- simplifying participation and administrative burden for applicants and contractors;
- seeking and incorporating feedback from market participants in the design and implementation of programs;
- enhancing transparency in program and portfolio performance; and
- ensuring clarity and certainty on program guidelines, goals, and budgets to market participants, including the minimization of volatility in program budgets.

Based on the foregoing considerations, the Commission discusses discrete elements of the various NYSERDA and Utility LMI Proposals in more detail below.

2026-2030 LMI Portfolio Budget

The Order Directing Proposals allocated $300 million annually, or 30 percent of the overall EE/BE budget, across all PAs, to be utilized to increase the LMI market segment's access to EE/BE solutions and improve affordability for LMI households and affordable multifamily buildings. This funding level is based on the budget-bounded approach that the Commission has taken with the EE/BE portfolio, in recognition that the magnitude and associated cost of achieving the CLCPA goals cannot fall upon ratepayers alone. Factoring in utility labor costs, the PAs' proposals reflect a total 2026-2030 LMI Portfolio budget of $1.57 billion, with an average annual budget of $313.8 million over the five-year period.[31] This level of funding represents an overall increase of $131.8 million annually over the budgets programmed under the Statewide LMI Portfolio during the 2020-2025 time period.[32]

By this Order, the Commission hereby establishes the 2026-2030 LMI Portfolio budget and makes budget adjustments to the proposed portfolios to maximize the amount of budget available to subsidize LMI EE/BE projects, as follows.

1. Budget Allocation to the LMI Portfolio

The Commission received numerous comments in response to the EE/BE proposals stating that overall funding levels, and within discrete segments of the LMI market, are insufficient to support the size of the LMI market segment and the ambitions of the CLCPA. For example, the Alliance for a Green Economy and 15 other organizations (together, AGREE) jointly filed comments stating that the proposed budgets and programs are underfunded, based on an analysis by Win Climate that indicates a shortfall in available funding to support the level of decarbonization

[31] While the 2026-2030 LMI Portfolio budget is presented as a five-year budget, the Commission expects that NYSERDA may have programs that have longer timelines between funding commitment and expenditure. The Commission expects that NYSERDA funds will be fully expended within 7 years.

[32] For the 2020-2025 time period, the average annual budget for the Statewide LMI Portfolio is $182 million. See Case 18-M-0084, Statewide Low- to Moderate-Income Portfolio Implementation Plan (filed December 20, 2024) (Statewide LMI Portfolio Implementation Plan).

necessary to achieve CLCPA goals.[33] According to the Win Climate analysis, there is uncertainty around the availability of other funding sources to support decarbonization in New York State, including New York State Cap and Invest and the federally funded IRA program. In addition, the Win Climate analysis provides an assessment of historic ratepayer-funded investments across sectors and estimates the distribution of funding to energy efficiency measures between LMI and non-LMI sectors, concluding that spending in the LMI market segment has been disproportionately low, and that the LMI share of residential spending should be higher than 40 percent if the state wishes for households across the income scale to decarbonize at the same rate.

The Public Utility Law Project of New York, Inc. (PULP) and Association for Energy Affordability (AEA) recommend allocating a greater proportion of the EE/BE portfolio budget to LMI programs. Kinetic Communities Consulting, Association for Neighborhood & Housing Development, and Urban Homesteading Assistance Board (together, KC3) recommend prioritizing funding for LMI programs over funding for commercial/industrial programs and Con Edison's proposed programming for steam system customers. In addition, a coalition of 157 organizations filed a letter to the Chair of the Commission, calling for the Commission to allocate 50 percent of EE/BE budgets to LMI households and programs targeting Disadvantaged Communities, prioritizing building shell improvements and the removal of structural barriers to weatherization and electrification. In addition, the coalition called for increased workforce and job training, simplification of program participation, and

[33] See Cases 14-M-0094 et al., New Efficiency New York: An Appraisal of Past and Proposed Spending (filed May 16, 2024) (Win Climate Analysis).

incorporation of health considerations into investment decisions.[34]

Achieving the economy-wide decarbonization goals of the CLCPA will require a comprehensive, multi-sector approach, and the Commission is advancing policy and programs across numerous proceedings to position New York State to achieve these goals. While this Order and its companion Non-LMI EE/BE Order are focused on the overall EE/BE portfolio, the Commission notes that EE/BE programs are just one component of a broader approach to support the State's decarbonization goals. The Commission reiterates that the total cost to ratepayers to fund EE/BE efforts must be budget bounded to provide cost certainty to the ratepayers that are funding these efforts, many of whom are LMI customers.

The allocation of ratepayer funds within the EE/BE portfolio presents a zero-sum choice for the Commission. Many comments received in these proceedings emphasize the urgency of meeting the decarbonization goals of the CLCPA, while also advocating to prioritize funding for the LMI market segment. The shifting of funds from non-LMI programs to LMI programs would result in a reduction in the overall level of decarbonization possible across the broader EE/BE portfolio, given the relatively higher cost to administer LMI programs compared to market rate and commercial/industrial programs, as well as the higher potential for fossil fuel reductions per project in larger buildings. Based on the NE:NY and CEF Market Development programs to date, LMI programs operated at higher cost per ton of lifetime CO_2e reduced, compared to programs supporting the residential market rate and commercial/industrial

[34] Case 18-M-0084, Letter to Public Service Commission Chair Christian (filed May 16, 2024).

market segments.[35] Shifting funds away from commercial/industrial projects, in particular, will limit the ability to reduce fossil fuel combustion in Disadvantaged Communities, which would hinder the Commission's ability to address this important policy objective for residents of these communities, including LMI households. With respect to the coalition of stakeholders calling for 50 percent of total EE/BE budgets to be directed to LMI households and Disadvantaged Communities, a review of ratepayer-funded investments between 2020 and 2023 indicates that 60 percent of overall ratepayer funded place-based investments (i.e., those that can be directed to communities or individual customers) were located in either Disadvantaged Communities or directed to a low-income household.[36] Focusing on the energy efficiency or electrification program investments that occurred through NE:NY and CEF Market Development, 47 percent of these investments are located within a Disadvantaged Community or directed towards an LMI EE/BE project. As discussed herein, the Commission expects that Non-LMI programs will benefit Disadvantaged Communities through investments that reduce fossil fuel combustion in commercial/industrial buildings and market rate residential

---

[35] Data regarding the direct verified lifetime CO_2e emission reductions in metric tons acquired through December 31, 2024, indicates that LMI one-to-four family homes programs operated at $ 181/ton of lifetime CO_2e, market rate one-to-four family homes programs operated at $94/ton of lifetime CO_2e, affordable multifamily programs operated at $132/ton of lifetime CO_2e, market rate multifamily programs operated at $78/ton of lifetime CO_2e, and commercial/industrial programs operated at $27/ton of lifetime CO_2e. The data is available at: https://data.ny.gov/download/3rux-yyd9/application%2Fx-zip-compressed.

[36] In compliance with CE-12 Guidance Document, the PAs file reports on Disadvantaged Community investments and co-benefits in Matter 23-02017. As of April 1, 2025, PAs have filed reports for 2020-2023.

homes and buildings. The Commission anticipates that, with an increased focus on Disadvantaged Communities through Non-LMI programs, total EE/BE investments to projects within Disadvantaged Communities and to low-to moderate-income households will increase from what was achieved in the 2020-2023 timeframe.

The Commission acknowledges and shares stakeholders' concerns that the LMI market segment requires significant support to overcome barriers to the adoption of clean energy solutions, and to advance energy affordability. However, in this Order, the Commission must balance its policy objectives for the LMI market segment, its obligation to advance the State's ability to meet the CLCPA decarbonization goals, the need to fund EE/BE programming for SBC-paying customers across all market segments, and the imperative to minimize impacts on ratepayers. For this reason, the Commission hereby maintains the existing budget allocation between the LMI and Non-LMI portfolios, of 30 percent of overall EE/BE budgets to LMI programs and 70 percent of budgets to Non-LMI programs, to ensure that ratepayer funds are available to support the decarbonization needs of all customer classes, which is necessary to support the achievement of CLCPA goals. As described previously, this Order approves an additional $131.8 million annually for LMI programs, a 72 percent increase over current funding levels. While the PAs have existing programs in the market that can be built upon, the Commission notes that contractor installation capacity can limit the ability for these programs to rapidly scale, as evidenced by comments by parties on the record and the 2024 NYSERDA Clean Energy Industry Report, which cites that employers in the building decarbonization and energy efficiency fields currently have difficulty in hiring technicians.[37] The Commission finds that further shifting budgets to the LMI market segment without first ensuring that contractor and installer capacity can sufficiently meet the demand, and that funds can be programmed in an effective manner, is not a prudent use of limited ratepayer funds. The Commission also finds that workforce development initiatives will help build this capacity and those initiatives are addressed further in this Order.

Lastly, the EE/BE programs are just one of several policy and programmatic interventions that the Commission has advanced to improve energy affordability and access to clean energy solutions. Since 2020, the Commission has advanced $1.88 billion in funding for the Energy Affordability Program,[38] and $399.8 million for the New York Sun program's (NY-Sun) Solar Energy Equity Framework.[39] These programs provide discrete program and financial support that are not available to other customers; as of November 2024, just over one million low-income households were enrolled in the Energy Affordability Program.[40]

This Order adopts the proposed budgets for the 2026-2030 LMI Portfolio, which includes $44 million in utility labor costs and an additional $23.9 million as a result of Con

[37] NYSERDA's 2024 Clean Energy Industry Report is available at: https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Clean-energy-industry/CEIR-2024-r-1-v1_acc.pdf.

[38] Energy Affordability Program expenditures reports, both quarterly between Q1 2020 and Q3 2022, and monthly between October 2022 and October 2024, are publicly available in Case 14-M-0565.

[39] See Case 21-E-0629, Advancement of Distributed Solar, NYSERDA NY-Sun Operating Plan (filed August 14, 2024), p. 21.

[40] See Case 14-M-0565, supra, Winter 2024-2025 Energy Affordability Policy Working Group Status Report (filed February 21, 2025), p. 9.

Edison’s proposed shift in budgets from its Non-LMI to LMI programs. However, the Commission is persuaded by commenters’ interest in maximizing the amount of funds directed to LMI projects as opposed to other elements that do not provide direct benefits to LMI consumers, such as administrative expenses, and we expect that this will result in an increase to households served. Therefore, the Commission specifically modifies the proposed allocation of funding within NYSERDA’s LMI portfolio budget, and between its LMI and Non-LMI programmatic budgets, to increase the proportion of funding dedicated to LMI EE/BE projects in one- to-four family homes and multifamily buildings. In addition, this Order reduces the proposed NYSERDA administration budget from 14.2 percent of total LMI costs to 12 percent, and reallocates these funds to support additional LMI EE/BE projects. In total, the reallocation of funds within the NYSERDA LMI portfolio will result in an additional $97.7 million to fund LMI projects, with $22 million from the shift in administrative funds and $75.7 million from the programmatic shifts within the NYSERDA LMI and Non-LMI portfolios over the 2026 through 2030 period. The programmatic shifts are described in full in the discussion on NYSERDA’s market-supporting activities in a subsequent section of this Order. Together with the approved Utility LMI budgets, this funding reallocation will result in the achievement of an additional 20 percent of lifetime MMBtu-e, over what was proposed for the LMI programs, for a total of 100.4 lifetime TBtu-e.

2. Fuel Neutrality

Multiple stakeholders, including the Alliance for Clean Energy New York and Advanced Energy United (ACE-NY/AEU), Bright Power, AGREE, and KC3, commented on the need for EE/BE funds to support buildings that heat with delivered fuels, given the potential to achieve significant emissions and energy burden reductions through these buildings. This sentiment is reflected in the LMI proposals submitted by the PAs. The Commission supports a fuel-neutral approach for the 2026-2030 LMI Portfolio insofar as only funds from electric customers should be used to support weatherization activities within buildings that heat with a delivered fuel or steam. Given that delivered fuel customers would be contributing to the EE/BE programs through collections on their electric bill, this is an appropriate limitation. Gas customers should not be required to cross-subsidize customers that heat with a delivered fuel.

The Commission also received comments from several parties including ACE-NY/AEU, Bright Power, AGREE, and KC3 on the need to set aside funding and expand program opportunities for multifamily buildings that do not pay into the SBC, either because they heat with delivered fuels or are served by the New York Power Authority (NYPA), as is the case with much of the New York City Housing Authority's (NYCHA) affordable housing portfolio. To reiterate, buildings that heat with a delivered fuel can access EE/BE funds if they are an electric customer that contributes to EE/BE collections.[41] Ratepayers cannot and should not be responsible for bearing the full brunt of the clean energy transition, and it would be imprudent to expect ratepayers to subsidize EE/BE work for customers that do not pay into the SBC, including for NYCHA buildings.

[41] The rules established by the Commission for projects that include delivered fuel savings are as follows: "(1) the program must demonstrate that it delivers Btu savings at an average cost per-Btu-saved that reduces total portfolio costs; (2) the program may not fund installation of delivered-fuel space heating and domestic hot water equipment; and (3) the portfolio must produce year over year efficiency gains in usage of the utility's primary product (electricity or gas)." Case 18-M-0084, Order Adopting Accelerated Energy Efficiency Targets (issued December 13, 2018), p. 34.

Portfolio Administration and Oversight

1. Program Administrator Roles and Coordination

As outlined in the Order Directing Proposals, for the 2026-2030 LMI Portfolio, NYSERDA will serve as the lead administrator of LMI one- to four-family programs statewide, affordable multifamily programs in the Upstate region, and affordable new construction programs statewide, while NYSERDA, Con Edison, and KEDLI/KEDNY will collaboratively administer LMI programs for the Downstate affordable multifamily segment. As the Commission discussed in that order, these roles represent a shift from the current administration of the Statewide LMI Portfolio, in which each utility has responsibility for administering LMI programs in its respective territory, in addition to NYSERDA's statewide efforts.[42] The Commission intends that these modified roles will better leverage the relative strengths of the PAs and remedy inefficiencies in the administration of the portfolio.

In particular, reducing the number of PAs directly responsible for LMI program administration to three will relieve the administrative burden associated with the current LMI JMC model, which the Staff EE/BE Report highlighted as a challenge for DPS Staff and PAs and an obstacle to the effective deployment of LMI programs.[43] The Order Directing Proposals directed DPS Staff to assess the form and function of the LMI

[42] The Utilities currently administer the AMEEP upstate and downstate, while NYSERDA administers the EmPower Plus program to serve one-to four-family homes statewide, provides technical assistance to the affordable new construction and affordable multifamily market segments, conducts LMI pilots and demonstrations, and funds engagement and outreach activities. To streamline the administration of the one- to four-family low-income programs, the Utilities transferred their budgets into the EmPower Plus program.

[43] See Staff EE/BE Report, p. 72.

JMC and begin work immediately to initiate improvements. Based on DPS Staff's experience in the intervening period, and to prepare for changes in the LMI portfolio beginning in 2026, the Commission recognizes a need to modify the structure of the LMI JMC prior to the end of 2025. Coordination amongst all PAs will continue to be critical through 2025 and beyond to ensure that LMI program opportunities can be communicated to relevant customers and for the necessary sharing of insights and data between the Utilities and NYSERDA. However, with the shift in administration of LMI programs to a smaller group of PAs, now is an opportune time to concurrently shift the LMI JMC model to one that can reduce administrative burden for all involved, and prioritize the preparation for launching the EE/BE programs in January 2026. While all PAs will need to coordinate on the transition in administration of programs, this coordination should be incremental to the preparation to launch the EE/BE programs. DPS Staff is directed to work with the PAs to transition the LMI JMC into a structure that better reflects the administrative roles for each PA for the 2026-2030 timeframe, including any considerations for the modification of reporting and stakeholder engagement requirements. This transition should take place as soon as practicable, and shall be documented in a filing by DPS Staff within 45 days of this Order.

NYSERDA, KEDLI and KEDNY, and Con Edison are further directed to collaborate and file a single LMI Implementation Plan detailing plans for the 2026-2030 LMI Portfolio, reflecting the directives set forth in this Order, within 120 days, for DPS Staff review and approval. All other Utilities are instructed to work with NYSERDA to develop plans for coordinating on LMI customer outreach within their service territories, as discussed further herein. The LMI Implementation Plan shall be updated thereafter on an annual basis, or as needed to address substantive modifications, in which event a filing shall be made at least 45 days prior to when the PA intends for the modification to take effect. All implementation plans are subject to DPS Staff approval. DPS Staff is directed to update all relevant guidance documents to reflect this direction.

2. Staff Oversight of the 2026-2030 LMI Portfolio

In the Order Directing Proposals, the Commission directed DPS Staff to provide greater oversight of the 2026-2030 LMI Portfolio, including the establishment of performance indicators and process for effectively monitoring performance of the LMI programs. While DPS Staff has worked with the PAs since the Order Directing Proposals to address challenges identified with the LMI JMC, comments from PULP, AEA, the City of New York (City) and others reinforce the need for improved oversight and establishment of performance metrics to ensure programs are accessible and operating effectively. Successful administration of the 2026-2030 LMI Portfolio will require the harmonization of key components of program design and implementation, including budget allocation and management, outreach to and enrollment of customers, realization of energy and bill savings, engagement with stakeholders, coordination amongst PAs, and recruitment, support, and management of contractors. The Commission expects DPS Staff to ensure that its policy objectives are prioritized in the administration of the LMI programs and that ratepayer funds are programmed in a prudent and impactful manner.

To effectuate this goal, DPS Staff should establish a framework that can be used to measure the overall performance of the 2026-2030 LMI Portfolio, and individual programs, with respect to the advancement of the Commission's policy objectives, as stated herein. This framework should also provide the ability for DPS Staff, PAs, and stakeholders to have visibility into key program metrics and outcomes, with which to judge the efficacy of programs. The framework should also include plans for enhanced stakeholder engagement. DPS Staff should assess and modify PA reporting requirements to facilitate the development of this performance management framework.

Based on the foregoing, the Commission hereby directs DPS Staff to develop and file an LMI Portfolio performance management framework guidance document for the 2026-2030 LMI Portfolio no later than 60 days from the date of this Order. The guidance should specify necessary modifications to current reporting structure and cadence for PAs to follow, including the type and level of program performance metrics that should be reported. The guidance document should also identify key performance indicators (KPI) for the LMI programs that can be used to measure progress towards the Commission's objectives. The guidance should also include details on how stakeholder engagement will be incorporated into the administration and oversight of the LMI portfolio. DPS Staff should update the guidance document as necessary to support its ongoing oversight of the LMI programs. This performance management framework should be developed with input from stakeholders and the PAs. Details on reporting on the 2020-2025 Statewide LMI Portfolio and closeout of associated programs are included in the "Other Matters" section below.

3. Stakeholder Engagement and Collaboration

The Commission has long valued stakeholder engagement in its regulatory processes, and the design and implementation of ratepayer funded programs is no different. Comments received regarding stakeholder engagement under the Statewide LMI Portfolio and in response to the EE/BE proposals indicate that there are opportunities to improve the manner in which stakeholders are engaged. For example, multiple stakeholders jointly submitted a letter outlining concerns with the stakeholder engagement process associated with the Statewide LMI Portfolio, and requesting in-person stakeholder sessions, as opposed to virtual sessions.[44] In their comments on the EE/BE proposals, AGREE raise concerns about stakeholder engagement related to LMI activities, including the fact that a co-design process similar to the one used to develop the Regional Clean Energy Hub program has not been utilized for the design of EE/BE programs.

Stakeholders, including the households that the EE/BE programs are intended to serve, those representing Disadvantaged Communities,[45] and contractors working in the programs, all have valuable insights that need to be taken into account to ensure that programs have the intended impact. In the design and implementation of EE/BE programs, the Commission expects that PAs and DPS Staff will prioritize early engagement of stakeholders, identify and incorporate feedback into programs, and provide visibility into the performance of programs, including identification of implementation challenges and opportunities to improve the impact of those programs. The Commission therefore directs DPS Staff to facilitate improved stakeholder engagement for the 2026-2030 LMI Portfolio, including the incorporation of in-person stakeholder meetings to discuss the status and performance of programs, emerging issues, and opportunities for improvement. PAs are also expected to engage stakeholders on the design and implementation of the programs that they are administering and shall incorporate

---

[44] Cases 14-M-0094 et al., Request for In-Person LMI Stakeholder Engagement (filed July 30, 2024).

[45] In engaging representatives of Disadvantaged Communities, DPS Staff and the PAs should leverage, where appropriate, the ratepayer-funded Disadvantaged Community Engagement initiatives administered by NYSERDA, including the Regional Clean Energy Hubs and the Energy Equity Collaborative.

stakeholder engagement in the development of the LMI Implementation Plan.

In developing the performance management framework, DPS Staff shall document the process for stakeholder engagement to support the administration of the 2026-2030 LMI Portfolio, as well as expectations for stakeholder engagement conducted by the PAs. Under Case 14-M-0565, the Commission previously required DPS Staff to develop the Energy Affordability Policy (EAP) Working Group as a venue for engaging with stakeholders on the design and implementation of the EAP.[46] Because many of the same stakeholders participating in the EAP Working Group would also have interest in engagement on the 2026-2030 LMI Portfolio, DPS Staff should develop a process for coordinating this engagement to reduce burden on stakeholders, where possible.

In addition to stakeholder engagement, the success of the LMI programs will depend on collaboration between NYSERDA and the Utilities. The Utilities and NYSERDA each possess unique strengths as program administrators. While NYSERDA has the ability to administer programs statewide and incorporate additional funding sources into projects, which will increase the impact of ratepayer funds, the Utilities have insight on their customers, including which customers have high energy consumption and would potentially benefit from an energy efficiency of weatherization treatment. Utilities can also leverage their points of contact with their LMI customers, as well as customer familiarity, to conduct outreach and facilitate enrollment into programs to help reduce energy consumption and associated bills. The Commission expects all utilities, even those that are not directly responsible for administering LMI

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

programs, to coordinate with NYSERDA to identify opportunities for their LMI customers to participate in the programs administered by NYSERDA. As established in the Order Directing Proposals and discussed later in this Order, the Utilities will be able to access up to three percent of the NYSERDA LMI program budget to support their outreach to LMI customers. Further, DPS Staff is expected to improve collaboration with other State agencies to explore opportunities for alignment of Commission policy and ratepayer-funded programs with other State programs and policy intended to address energy efficiency and building electrification within the LMI market segment.

4. Additional Funding Sources

In response to the Order Directing Proposals, the PAs identified opportunities to leverage federal and other funding sources in the administration of their EE/BE programs. NYSERDA highlighted its history of co-funding LMI programs with other sources of funding that include RGGI, the HEAP administered by the OTDA, financing solutions such as from Green Jobs Green New York and the State Energy Financing Fund, and ongoing efforts of the NYGB, including the Community Decarbonization Fund. NYSERDA also identified its plans to leverage IRA rebates,[47] IRA tax

[47] The U.S. Department of Energy allocated $318 million in formula grants to New York State for 2024-2031 to fund the Home Energy Rebate Program and Home Electrification Appliance Rebate Program.

credits,[48] and several other potential federally funded programs[49] that could provide financial support to LMI projects.[50] Con Edison expressed its intent to leverage IRA tax credits and third-party financing solutions potentially available to customers participating in Con Edison programs and encouraged NYSERDA to program the IRA rebates in a manner to limit market confusion. National Grid encouraged NYSERDA to deploy IRA rebates in parallel with utility programs, given the limited nature of the IRA budgets.

LMI EE/BE projects require deep subsidies, in many cases approaching 100 percent of project costs. Given the size of the need in the LMI market segment, the ability to leverage other funding sources can help to increase the scope and reach of these programs, as well as increase the impact of ratepayer funds, which is good public policy. As the primary administrator of LMI programs and a New York State public benefit corporation, the Commission expects NYSERDA to seek out additional funding sources to complement ratepayer funds, as

[48] The Inflation Reduction Act advanced a series of tax credits for eligible technologies. See NYSERDA, Inflation Reduction Act: Businesses, available at: https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act/Businesses.

[49] Federally funded programs that potentially would be leveraged by NYSERDA include: the U.S. Environmental Protection Agency Greenhouse Gas Reduction Fund, the U.S. Housing and Urban Development Green and Resilient Retrofit Program, the Bipartisan Infrastructure Law Energy Efficiency Conservation Block Grant, the 25C Energy Efficient Home Improvement Credit, and the Climate Pollution Reduction Grant Fund.

[50] The Commission takes notice of the issuance of multiple federal executive actions that may limit availability of federal funding such as those administered by NYSERDA and recognizes that potential loss of this funding could have an impact on NYSERDA’s ability to offer complementary initiatives to ratepayer-funded EE/BE program efforts.

well as alternative and novel programmatic approaches that can leverage other forms of capital.[51]

While the Commission encourages efforts to leverage other funding sources, to date, the Commission and DPS Staff have had limited insights into the sources and levels of other funding that are being incorporated into ratepayer-funded programs, and how these funds are specifically being used to increase the impact of ratepayer funds. In their comments on the proposals, the Natural Resources Defense Council together with the Association for Energy Affordability, New Yorkers for Clean Power, Regional Plan Association, and Urban Green Council (collectively, NRDC), and AGREE called more generally for greater visibility into how the proposed LMI portfolio budgets and programs fit into a broader landscape of programs and funding streams addressing housing quality and decarbonization, including State budget allocations for EmPower Plus and federal IRA rebate programs. Such visibility will be important to ensure optimal administration of EE/BE programs, particularly for stakeholders to understand how the available programs and funds are able to be leveraged, as well as when DPS Staff or the Commission may need to adjust EE/BE program guidance in order to fully maximize the other funding sources. Accordingly, the Commission expressly requires the PAs to include details on additional funding in the LMI Implementation Plan and in their reporting for EE/BE programs, as discussed later in the Order.

[51] For example, NYSERDA partnered with the New York State Department of Health to develop and administer the NYS Healthy Homes Value Based Payment Pilot under the Clean Energy Fund, which was intended to measure and validate health care cost savings associated with asthma trigger interventions in the homes of Medicaid clients, with the goal of supporting health plans to make preventative investments in healthy homes improvements to help reduce Medicaid costs. This Pilot is outlined in the Statewide LMI Portfolio Implementation Plan.

With respect to the role of clean energy finance as a way to increase the impact of ratepayer-funded incentives for LMI projects, the Commission supports the leveraging of third-party capital and financing solutions where it makes sense for the customer, where finance products are affordable for the customer, and where finance products include appropriate consumer protections. The diversity of the LMI market segment requires a nuanced approach to clean energy financing, including strategy and products that address customers' needs, which can vary considerably within this market segment. The Commission notes that the NYGB interim review is currently underway, which will provide an opportunity to review how NYGB offerings are supporting or can better support LMI EE/BE projects.[52] Beyond the NYGB, the Commission expects NYSERDA and the other PAs to consult with DPS Staff on the development of strategies to incorporate financing products into ratepayer-funded LMI programs and to document financing strategies and products in the LMI Implementation Plan.

LMI EE/BE Program Areas and Considerations

3. One- to Four-Family

Nearly 60 percent of LMI New Yorkers live in one- to four-family homes, and over 40 percent of these households are renters.[53] The one-to-four-family LMI market segment has

[52] See Case 13-M-0412, Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank, Notice Soliciting Comments Regarding the Performance of NY Green Bank and Authorization for Modifications (issued January 13, 2025).

[53] NYSERDA, New York State Low- to Moderate-Income Census Population Analysis Tool, available at: https://www.nyserda.ny.gov/About/Publications/Evaluation-Reports/Low--to-Moderate-Income/LMI-Census-Population-Tool.

primarily been served through the EmPower Plus[54] program throughout the State since 2004, when the Commission directed the transfer of SBC funding for National Grid and NYSEG low-income programs to NYSERDA in order to achieve operational and administrative efficiencies through a single administrator.[55] With the exception of the KEDLI HEAT program, the Commission has taken this single administrator approach within the one- to four-family residential LMI market segment throughout the previous ratepayer-funded energy efficiency portfolios to achieve economies of scale and consistency for customers and contractors through a single administrator model.[56] The Order Directing Proposals re-emphasized this approach by consolidating the administration and associated costs from multiple PAs to NYSERDA and establishing NYSERDA as the primary administrator of

[54] EmPower Plus was previously branded EmPower New York. In 2023, NYSERDA combined the EmPower New York program, which provided no-cost energy efficiency upgrades for households at or below 60 percent of the State Median Income, with the Assisted Home Performance with ENERGY STAR program, which provided subsidized energy efficiency upgrades to households between 60 percent of the State Median Income and the greater or 80 percent of the SMI or AMI. The combined program was rebranded EmPower Plus.

[55] Case 94-E-0952, Competitive Opportunities Regarding Electric Service, filed in C 93-M-0229, Order Establishing Conditions for the Continuation and Transfer of Low-Income Programs and Establishing System Benefits Charge Funding (issued May 30, 2003).

[56] In an Order issued on January 21, 2016, in Case 14-M-0094, the Commission directed National Grid to pursue alternatives to EmPower New York for providing energy efficiency services to low-income customers of KEDLI for 2017 and beyond, given the shift to electric-only ratepayer collections for the CEF. In addition, while individual utilities were allocated LMI program budgets for 2020-2025 under NE:NY, the utilities contributed funding to EmPower Plus rather than administering separate programs targeting one-to four-family homes. See Case 14-M-0094, Order Authorizing the Clean Energy Fund Framework (issued January 21, 2016) (CEF Framework Order).

one- to four-family EE/BE programs. The transition of programs in the one- to four-family LMI market segment will include the expansion of the EmPower Plus program as the sole ratepayer-funded program, the transition of the KEDLI HEAT program to EmPower Plus, a focus on maximizing the impact of ratepayer funds, and the advancement of strategic electrification within this market segment. Commenters also raised key considerations regarding program design, the distribution of projects across the State, and income eligibility.

a. EmPower Plus Program Design

The Commission approves NYSERDA's proposal to provide an efficiency-first approach to EE/BE, building on the current iteration of the EmPower Plus program to offer a streamlined set of offerings that include a no-cost home energy assessment, a direct install component that includes no-cost measures installed during the home energy assessment, and a comprehensive track of programming that provides a full subsidy for low-income customers and up to a 50 percent subsidy for moderate-income customers. The focus on reducing energy consumption by prioritizing energy efficiency and weatherization will help to advance the Commission's Energy Affordability Policy, which sets a goal for low-income customers to pay no more than six percent of their annual income towards utility costs. Energy efficiency and weatherization are no-regrets investments and the logical first step to decarbonize a home. The Commission also supports the introduction of standard measure packages, which hold the promise of simplifying work scope development for contractors and customers, while reducing administrative burden associated with reviewing and approving work scopes. NYSERDA is directed to provide specifics on the standard measure packages, which should be articulated along with other program design details, in its LMI Implementation Plan.

Throughout its LMI Proposal, NYSERDA identifies potential program design considerations for EmPower Plus that would allow for the leveraging of IRA funds, which could allow for the funding of measures such as electrical upgrades. Given current uncertainty around the availability of federal funding, including the IRA, NYSERDA is directed to keep DPS Staff and stakeholders informed on developments that might affect its ability to program federal funds, and reflect these developments in the LMI Implementation Plan.

Several parties commented on the need for the program to support higher project costs. Currently, EmPower Plus caps incentives at $10,000 for low-income projects, and $5,000 for moderate-income projects.[57] The Commission declines at this time to prescribe specific incentive levels, due to our desire to allow for program design to evolve based on market developments. However, the Commission notes that subsidy levels of $5,000 and $10,000 per project are significant investments per home, and with the finite programmatic resources available, it is necessary to allocate funds to achieve the greatest overall impact within the LMI market segment, which includes reducing energy burden for as many LMI customers as possible. When assessing program incentive levels for LMI programs, the Commission acknowledges regional variations in material and labor costs, as well as in soft costs such as permits. In addition, the Commission acknowledges that project cost or incentive level can determine the effectiveness of an energy efficiency or weatherization project, given that opportunities for improving the energy efficiency of a home can vary from

[57] Information on the EmPower Plus program, including available incentives, can be found online at https://www.nyserda.ny.gov/All-Programs/EmPower-New-York-Program.

project to project. It is important for PAs to optimize available budgets to prioritize the weatherization and energy efficiency measures that can result in the greatest energy savings for the homes and buildings participating in EE/BE programs. The Commission expects the PAs to factor these important program design considerations in when setting incentive levels. Program incentive structure for LMI programs should be specified in the LMI Implementation Plan and must be approved by Staff before a change in incentive levels can take place.

In its proposal, NYSERDA also estimates that it will serve approximately 38,000 LMI one- to four-family households through EmPower Plus between 2026 and 2030, or 7,600 households annually. While final program design and incentive levels will ultimately dictate the number of households that can be served with available budgets, the Commission notes that the identified level of production for 2026-2030 is significantly lower than production under the 2020-2025 Statewide LMI Portfolio.[58] As part of its ongoing administration of the EmPower Plus program, the Commission directs NYSERDA to assess opportunities to maximize the ability for the program to reach as many LMI households as possible with weatherization and energy efficiency upgrades.

b. Referral of Low-Income Customers

Utility referrals of low-income customers to NYSERDA for service through EmPower Plus has long been a priority for the Commission. The Commission directs NYSERDA and the Utilities to develop and institute a process to ensure that low-income customers with the greatest energy burden will be

[58] The Statewide LMI Portfolio Implementation Plan identified the total number of expected one- to four-family homes served to be 79,698 from 2020 through 2025, or 13,283 annually.

prioritized for energy efficiency and weatherization services. NYSERDA and the Utilities, including those that do not have responsibility for directly administering LMI programs, are equally responsible for improving the referral process to ensure that those customers that are most in need are prioritized for services. This includes improving the quality of the referral itself, as well as the process for conducting outreach and referral of a customer.

In its proposal, NYSERDA identifies a need to improve the process by which the Utilities refer customers to EmPower Plus. NYSERDA underscores the Utilities' ability to identify customers who may benefit the most from participating in EmPower Plus and proposes several factors that the Utilities should consider in prioritizing customers for outreach and referrals, including income eligibility, energy usage, geographic utility system needs, electric rates, Energy Affordability Program participation, and arrears status. NYSERDA also recommends that, to increase the conversion of utility referrals to EmPower Plus enrollments, the Utilities should provide NYSERDA with complete customer contact information, take responsibility for managing the quality of referral data, and more actively promote EmPower Plus to eligible customers.

National Grid states in its proposal that it currently does not refer KEDLI or KEDNY customers to EmPower Plus, but it has referred 1,000 low-income Niagara Mohawk customers to EmPower Plus every month. National Grid also states that it targets customers with the highest energy usage for referral and works with NYSERDA to determine if other customer characteristics such as household size should be considered when targeting customers. National Grid further identifies that it provides additional outreach to referred customers in the form of email or text message campaigns, including sending reminders and links to an electronic application to referred customers. In addition, National Grid provides information on available programs to community-based resources such as food banks, as well as the Regional Clean Energy Hubs and the National Grid Consumer Advocates. In the National Grid LMI Proposal, National Grid proposes to continue these efforts beyond 2025 to support their customers' participation in the EmPower Plus program. In addition, National Grid proposes to coordinate with Con Edison on the referral of KEDNY customers to EmPower Plus, to avoid duplicate referrals.

The approach taken by National Grid to conduct outreach to low-income customers and refer them to EmPower Plus shows promise, as electronic-based outreach can be more efficient and less costly than traditional mail-based outreach, and working with community-based resources helps to engage customers in those communities. The Commission strongly supports an evolution in the referral process, in particular the use of email and text message-based outreach to customers. The current practice of NYSERDA mailing applications to referred customers is administratively burdensome for NYSERDA and potential customers, and the success of this approach entirely depends on the customer receiving, opening, and then returning the signed application. However, the Commission notes that the sharing of customer information as part of the referral process is governed by the Commission's Data Access Framework, which details requirements for Energy Service Entities, including NYSERDA, to access energy-related data.[59] Email addresses are not included in the Customer Contact Information Data Set that

[59] Case 20-M-0082, In the Matter of the Strategic Use of Energy Related Data, Order Adopting a Data Access Framework and Establishing Further Process (issued April 15, 2021) (Data Access Framework Order).

is available to be shared under the Data Access Framework.[60] Given these considerations, the Commission directs the Utilities and NYSERDA to develop a coordinated approach to incorporating electronic-based outreach to low-income customers into the referral process, including the provision of electronic applications, in a manner consistent with the Data Access Framework. This coordinated approach should be detailed in the LMI Customer Referral Plan described below.

The Commission supports NYSERDA's proposal for the Utilities to provide necessary customer information as part of the referral to NYSERDA, including historical energy usage and contact information. As above, the Commission notes that this information-sharing must abide by the rules set forth in the Data Access Framework. The Commission further notes that sharing of customer information as part of a referral is limited to the provision of customer information from the utility to NYSERDA, and NYSERDA is not permitted to further share customer information contained in referrals with outreach and installation contractors, without first having obtained customer consent.

NYSERDA also proposes that the Utilities provide income eligibility status and information about customer participation in Energy Affordability Programs. With respect to utility referrals of low-income customers into EmPower Plus, the Commission finds that these data points are redundant because the Utilities currently enroll all low-income customers that are known to them into their Energy Affordability Programs, and these customers are then referred to NYSERDA. In addition to the incorporation of electronic referrals, the Commission expects that the Utilities will leverage their relationship with

---

[60] Data Access Framework Order, Appendix A.

their customers to encourage referred customers to participate in EmPower Plus to help improve the likelihood that a referral will lead to program participation. As outlined herein, the Utilities will have the ability to access up to three percent of NYSERDA program funds to support their outreach and referral efforts. To facilitate the provision of necessary data points as part of utility referral of low-income customers to NYSERDA, the Utilities and NYSERDA are hereby directed to execute the necessary data sharing agreements, as discussed later in this Order.

The Commission expects NYSERDA to prioritize utility-referred customers for service through EmPower Plus. There are multiple paths by which customers end up in the EmPower Plus project pipeline beyond utility referral. Customers can apply for service directly, be brought into the program by contractors, or be referred by community-based organizations or local agencies such as the Regional Clean Energy Hubs, Community Action Agencies, or local Department of Social Services. While the Commission's policy is to make subsidized weatherization and energy efficiency services available to all low-income customers, the Utilities are in the best position to identify those low-income customers that have the greatest energy burdens. To achieve the greatest impact with the available budgets, it is imperative that these low-income, high-consuming customers be addressed through EmPower Plus. It is NYSERDA's responsibility to manage the pipeline of referral sources and subsequent projects to ensure that those customers with high energy burdens can be prioritized for service, which may require NYSERDA to work with contractors and community-based organizations to develop strategies for properly managing the outreach and referral of customers from sources other than the Utilities.

The Commission hereby directs NYSERDA and the Utilities, including those Utilities not directly administering LMI programs, to file for DPS Staff review and approval an LMI Customer Referral Plan within 60 days of the issuance of this Order. In developing the LMI Customer Referral Plan, NYSERDA is directed to work with the Utilities to document the referral process and the necessary data points for referrals. The Utilities are directed to include information about the steps they will take to "warm" leads or referrals, to increase the likelihood that a customer will participate in EmPower Plus.

To support this collaboration between NYSERDA and the Utilities, NYSERDA is directed to make three percent of its EmPower Plus and upstate multifamily program budgets, a maximum of $22.9 million, available to the Utilities for referral and coordination activities. In its proposal, National Grid requests $1,535,951 of NYSERDA's LMI budget annually for coordination. The Commission declines to approve specific collaboration budget allocations by utility in this Order, but directs the Utilities and NYSERDA to develop recommended funding levels in consultation with DPS Staff based on the referral and outreach process articulated in the LMI Customer Referral Plan, and to include these recommendations within the plan. The Commission expects NYSERDA and the Utilities to implement the LMI Customer Referral Plan expeditiously once approved by DPS Staff. NYSERDA and the Utilities will not have access to funds budgeted for referral and coordination activities until the plan is approved by DPS Staff.

c. Geographic Distribution of Projects

The Pratt Center for Community Development (Pratt Center) commented that NYSERDA has not adequately served the New York City area through the EmPower Plus program, and NYSERDA should publish an assessment of the barriers to program uptake in New York City. The Pratt Center further recommended that NYSERDA complete EmPower Plus projects in proportion to the number of buildings or residents in a community, creating a project quota for New York City. In assigning NYSERDA the role of Statewide administrator to serve the one- to four-family LMI market segment, the Commission expects that the program offered will be made available to LMI households throughout the State. The Commission expects NYSERDA to manage its pipeline of EmPower Plus projects and its contractor network to ensure a balanced geographic distribution of projects across the State.

The Commission recognizes that market conditions may vary across the State, and issues such as limited contractor or installer capacity, permitting requirements and soft costs, and regional variation in labor and material costs can all affect the volume of projects that can be completed in a given region. For this reason, the Commission declines to establish a project quota for any region of the state. However, NYSERDA should assess barriers to program uptake and collaborate with stakeholders, including the Regional Clean Energy Hubs, on options to improve program uptake in regions that have historically low participation. NYSERDA is expected to strive for continual improvement on this issue, including by assessing and deploying alternative program design and implementation models that can better address the market conditions in underserved regions. As part of the Implementation Plan, NYSERDA shall include an assessment of program participation by region and identify how it plans to improve uptake in parts of the state that historically have low program participation. DPS Staff is also directed to incorporate reporting on the distribution of projects into the 2026-2030 LMI Portfolio performance management framework discussed above.

d. Additional Considerations

In addition to the considerations addressed above, the NYSERDA LMI Proposal and comments received raise issues such as the electrification of homes through EmPower Plus, methods for establishing income eligibility for EmPower Plus, and eligible measures. These items are discussed further in the subsequent sections of this Order. Further, given the transition of administration of one-to four family programs from National Grid to NYSERDA in the KEDLI territory, the Commission directs NYSERDA to coordinate with LIPA to align offerings to enable comprehensive services that include electric and natural gas efficiency measures for LIPA and KEDLI customers, as well as to improve consistency between NYSERDA and LIPA programs to ensure that LMI customers on Long Island have access to the same EE/BE opportunities that are available throughout the State.

4. Affordable Multifamily

Over 40 percent of LMI New Yorkers reside in multifamily buildings, making affordable multifamily buildings a priority for EE/BE interventions. Weatherizing and improving the efficiency of affordable multifamily buildings has multiple benefits. Reducing energy consumption will help to reduce operating costs for building owners, which in turn can help to stabilize rents for tenants. Weatherizing can also help to improve comfort and air quality for tenants and reduce fossil-fuel combustion for space and water heating, as well as the associated emissions. Under the 2020-2025 Statewide LMI Portfolio, the Utilities were responsible for providing standard-offer affordable multifamily program incentives through AMEEP, with each utility administering the program within their service territory. During this time, NYSERDA was responsible for providing technical assistance to affordable multifamily building owners and working with the State and New York City housing agencies to support their efforts to decarbonize their respective portfolios.

With the 2026-2030 LMI Portfolio, the Commission seeks to streamline administration of affordable multifamily program offerings to help improve consistency and effectiveness of these programs across the State. As outlined in the Order Directing Proposals, NYSERDA will assume responsibility for administering the Upstate affordable multifamily incentive program, provide technical assistance to building owners, and administer the Direct Injection Program with State and New York City housing agencies. Con Edison and National Grid will administer the affordable multifamily incentive programs in their respective territories within the New York City metro area. In their EE/BE proposals, the PAs outlined details for the affordable multifamily programs and proposed improving coordination to help streamline access to programs and services for this market segment. In response to the EE/BE proposals, stakeholders submitted comments on a range of topics, including program design considerations and the need for improved coordination between PAs and offerings.

a. Affordable Multifamily Incentive Programs

The administration of affordable multifamily incentive programs from 2026-2030 will be shared by Con Edison, National Grid, and NYSERDA. This distribution of responsibilities should increase the cohesion of available program offerings Upstate, while improving alignment between the Upstate and Downstate programs.

In its proposal, NYSERDA states that it will develop two tiers of incentive offerings for the Upstate affordable multifamily program, a prescriptive and a comprehensive path, like the design of AMEEP. Con Edison proposes to refine the current version of AMEEP to streamline administration and increase the impact of the program. National Grid states that it will continue to provide incentives to the affordable multifamily market segment in its Downstate territories and will coordinate with PSEG-LI on gas and electric offerings within a common scope of work and streamline application process. All three PAs propose to coordinate with each other in the delivery of program supports for affordable multifamily buildings.

In comments received, many stakeholders highlight the need to streamline and simplify program participation. Bright Power states that better coordination is needed in the Downstate affordable multifamily market, noting inconsistencies that currently exist between Con Edison and National Grid AMEEP incentives, as well as abrupt changes in AMEEP offerings, which present challenges for building owners and market actors seeking to use these programs. Bright Power also recommends that the PAs provide greater transparency into their program review process and give contractors ample advanced notice of program changes. Stakeholders including the City, Bright Power, PULP, AGREE, and others recommend instituting or expanding incremental incentives or progress payments over the course of a project to support the ability of building owners and smaller contractors to take on large capital investments. The City also recommends integrating progress payments with bridge loan financing as a way to facilitate financial support over the course of a multi-year project. In addition, the City and others recommend that Con Edison work with NYSERDA, HPD, and HCR to support affordable buildings that cannot or choose not to use housing agency funding.

The Commission supports the PA proposals to build on AMEEP, particularly the two tiers of program incentives, which will provide support to buildings based on their current ability or interest to undertake EE/BE upgrades. The Commission emphasizes the need for coordination across the PAs to ensure consistency in program offerings within the New York City metro area, as well as between Upstate and Downstate, given that there are contractors and service providers that work across utility territories. While regional or market difference may dictate nuances between Upstate and Downstate program offerings, the type of support available for affordable multifamily buildings should be comparable Upstate and Downstate. The Commission concurs with Bright Power regarding the need for greater transparency and communication regarding program changes. Among the Commission's objectives for the LMI portfolio is ensuring clarity and certainty on program guidelines and budgets to market participants. While the Commission encourages the PAs to institute a process of continuous improvement to refine aspects of the program based on feedback from the market, transparency with respect to program modifications is critical for fostering a network of service providers that can build pipelines of projects, as well as for building owners and housing agencies, who are faced with making decisions on multi-year capital plans. The Downstate Utilities and NYSERDA are required to improve engagement and communications with market actors on program modifications and include details on the communications process in the LMI Implementation Plan.

With respect to progress payments, the Commission supports the inclusion of milestone or progress payments for projects that have longer timelines. The PAs should explore the potential for incorporating milestone-based incentives into program design, and details on incentive structure, eligible measures, coordination between PAs, and engagement and communication with stakeholders and market participants should be outlined in the LMI Implementation Plan to be filed pursuant to this Order.

Con Edison and NYSERDA also propose the incorporation of incentives for heat pumps to support electrification in affordable multifamily buildings, which is addressed later in this Order.

b. Direct Injection

As part of its suite of programs under the Statewide LMI Portfolio, NYSERDA established the Direct Injection Program to provide HCR and HPD technical assistance and incentives that can be directly incorporated into housing deals, without the need for building developers or owners to apply to both the energy and housing programs.[61] Under the 2026-2030 LMI Portfolio, NYSERDA would remain responsible for administering this initiative with HCR and HPD. NYSERDA proposes to shift the focus of its efforts for this program, which had primarily been focused on advancing solutions for high-performance new construction, toward comprehensive weatherization and electrification building retrofit projects.

Several commenters, including the City, HCR, and KC3, voiced support of the NYSERDA Direct Injection Program model. Notably, the City asserted that proposed funding for this program is insufficient, and recommended expanding the funding available for 2026-2030 to HPD to support the agency’s growing electrification pipeline and replace AMEEP and New York State Clean Heat program (NYS Clean Heat) funding currently factored into HPD’s budget, to ensure affordable housing will meet Local Law 97 and other obligations. The City also recommends that Con Edison work with NYSERDA, HPD, and HCR to create a program complementary to the current Direct Injection Program to electrify affordable buildings that cannot or choose not to use housing agency funding.

[61] The Direct Injection Program at HCR has been branded as the Clean Energy Initiative.

The Commission supports NYSERDA's continuation of the Direct Injection Program, given the administrative efficiencies for developers and building owners and the ability to support housing agencies as they develop strategies for decarbonizing their housing portfolios. However, based on comments received on this proposal, the Commission is concerned that this initiative is viewed as simply another source of capital for housing projects. As previously discussed herein, ratepayers should not be expected to shoulder the cost burden to achieve the State's climate goals, which includes the decarbonization of the State's affordable housing portfolio. Ratepayer funds programed through the 2026-2030 LMI Portfolio need to be directed in a manner to achieve the greatest impact for LMI customers, including through the portfolio of affordable multifamily programs. In approving the Direct Injection Program, the Commission expects that funds directed to housing agencies will result in additionality, in that the incentives and technical assistance provided by NYSERDA will help to advance both technical and regulatory strategies for decarbonizing regulated affordable housing that can be replicable and result in long term impact. However, given the potential for housing agency need to exceed available budgets, PAs will need to design programs and budget allocations that support housing agency needs concurrently with those of naturally occurring affordable housing. Given that the ratepayer-funded 2026-2030 LMI Portfolio cannot solely bear the cost for achieving State and local climate policies, the Commission declines at this time to expand funding for the Direct Injection Program as the City suggests. In its place, the Commission directs NYSERDA to collaborate with DPS Staff, HCR, and HPD to identify opportunities to ensure that ratepayer funds supporting the Direct Injection initiative will have enduring impacts, and to include a discussion of such opportunities in the development of the LMI Implementation Plan.

With respect to the creation of a complementary program to support affordable buildings that cannot or chose not to access housing agency funds, the Commission notes that regulated buildings that are interested in pursuing EE/BE upgrades but are not pursuing additional housing funds have the ability to participate in the standard offer affordable multifamily incentive program, or AMEEP, offered by NYSERDA, Con Edison, and National Grid. NYSERDA, Con Edison, and National Grid should, as part of their coordination with stakeholders, including the Regional Clean Energy Hubs, and in the development of the LMI Implementation Plan, take efforts to ensure that regulated building owners are aware of these EE/BE opportunities.

c. Technical Assistance

Technical assistance such as audits and feasibility studies are integral for building owners to identify opportunities to decarbonize their buildings and can serve as an important diagnostic tool to inform work scope development for incentive programs. In its LMI Proposal, NYSERDA outlines its approach to providing technical services to the affordable multifamily market segment. NYSERDA proposes to increase engagement on technical assistance services across the affordable multifamily market by collaborating with utilities, market actors, and service providers in order to: (1) right-size technical studies to the needs of the building owner and to increase the conversion rate from technical study to a completed EE/BE project; (2) support the growth of technical capacity within the State’s housing agencies; and (3) provide increased financial support for technical studies, where needed. NYSERDA also proposes to consolidate support for technical studies under the FlexTech program umbrella to achieve administrative efficiencies.

Several commenters urge the Commission to ensure that NYSERDA has funding to continue offering a 75 percent cost-share. Many note that there is room to continue improving the coordination between FlexTech, AMEEP, and other programs, and recommend that PAs accept FlexTech energy audits in place of other audits and pre-installation inspections across as many different programs as possible. Bright Power states that utility acceptance of FlexTech audits would be an improvement over the quality of many current pre-installation inspections and would create referral opportunities and drive enrollment in LMI programs.

The Commission agrees that streamlining between NYSERDA's technical assistance programs and utility incentive programs is critical to ensure ratepayer funds are having the greatest impact. In that regard, NYSERDA's proposal to consolidate the various technical assistance efforts under FlexTech holds the promise of streamlining the administration of technical assistance. The Commission notes, however, that there may be several different types of technical assistance that range from diagnostic audits that inform work scope development, to more in-depth studies such as energy master plans. In refining its technical assistance offerings, NYSERDA should clearly communicate the levels of technical assistance available to the market and, where relevant, right-size that assistance to align with the design and delivery of utility-administered incentive programs. With respect to comments on technical assistance incentive levels, the Commission declines at this time to prescribe incentive levels. Instead, NYSERDA should coordinate with Con Edison, National Grid, and other market actors to design the technical assistance offerings, including incentive levels, according to the direction provided herein, and should include these details in the Implementation Plan to be filed pursuant to this Order.

d. Additional Program Design Considerations

In addition to comments on the design of incentive and technical assistance programs, the Downstate Utilities and NYSERDA proposed exploring a potential common application system that would automatically direct customers to the programs for which they are eligible, and developing a common database or project management system that would allow them and potentially housing agencies to share project and customer data and track customer participation in and progress of EE/BE projects across programs and over time. Various commenters supported this concept and called for a more streamlined approach to learning about and participating in programs. The Commission equally supports this effort and directs NYSERDA and the Utilities to collaborate on the development of a common multifamily platform and project database that connects affordable multifamily building owners with available incentives, technical assistance, and other types of support, while also providing the ability for PAs to track and monitor program participation for all relevant programs. The PAs shall also explore the potential for housing agencies to leverage this database as well, with the goal of creating a one-stop shop experience for affordable multifamily building owners and managers who are interested in EE/BE upgrades. In developing this platform, the PAs are directed to ensure consistent customer consent language is used in program applications to ensure that all relevant PAs have access to program participation for each building, whether the program is administered by NYSERDA, a Utility, or a housing agency. Details on the development of this platform should be articulated in the Implementation Plan.

5. Affordable New Construction

The Commission supports NYSERDA's proposal to shift its support for affordable new construction activities from the provision of direct incentives to a focus on providing technical assistance for builders, developers, the design community, and housing agencies. Meeting the new construction high-performance all electric requirements set forth in New York State Building Code and State law will require shifts in design, development, and construction practices. Redirecting programmatic resources from incentives to technical assistance will result in longer-term impact.

Neither NYSERDA's initial proposal, nor the supplemental information provided to the record, included sufficient detail on specific forms of technical assistance or budgetary allocations for this work. As such, the Commission directs NYSERDA to further explore this potential change in support for affordable new construction activities, and include details of this programmatic change, including but not limited to the technical assistance that would be provided, the budget commitment for these activities, and the projected number of participants, as part of the LMI Implementation Plan.

6. Income Eligibility Considerations

The portfolio of ratepayer-funded EE/BE programs has historically set the eligibility threshold for low-income programs at a household income at or below 60 percent of SMI, to align with other publicly funded low-income energy programs.[62] The programs have also allowed for categorical eligibility to be established, which removes the need for separate income eligibility screening, reducing administrative burden and cost

[62] Both HEAP and the Weatherization Assistance Program, administered by HCR, set eligibility at 60 percent of SMI.

for both administrators and applicants.[63] Historically, for moderate-income programs, households are income eligible if they have an annual household income between 60 percent of SMI or the greater of 80 percent of AMI or SMI, which aligns with the primary affordable housing programs that establish a moderate-income designation.[64]

In response to the Utility and NYSERDA LMI Proposals, commenters including the City, Pratt Center, AGREE, PULP, AEA, and KC3 raise concerns with using SMI alone to determine income eligibility. Commenters assert that this practice excludes households in need of support in higher-income areas of the State where the cost of living, and the cost of EE/BE projects, is greater than the Statewide average. The City and Pratt Center comment specifically that, by using SMI to set eligibility for the low-income component of EmPower Plus, NYSERDA hampers program uptake in the New York City area. To remedy this problem, commenters recommend that NYSERDA change the low-income eligibility threshold for EmPower Plus to 60 percent of SMI or AMI, whichever is higher. Some commenters add that this change would better align EmPower Plus with related programs including the HPD Homefix program and the federal IRA rebate programs. In its comments, the American Council for an Energy Efficient Economy (ACEEE) encourages the Commission to ease LMI income verification in general, citing the California Alternate Rates for Energy program, which allows self-

[63] For instance, eligibility for EmPower Plus can be established by verification of an applicant's receipt of services from programs such as utility Energy Affordability Programs, HEAP, the Weatherization Assistance Program, Supplemental Nutrition Assistance Program, and Temporary Assistance for Needy Families.

[64] This includes housing programs administered by HCR such as the New York State HOME Program.

attestation of eligibility and later verifies eligibility for a subset of customers to address potential fraud. HCR comments that for affordable multifamily buildings, it is necessary for PAs to coordinate with municipal and State housing financing agencies to ensure alignment on categorical eligibility designations to ensure that all affordable multifamily buildings can be served.

The Commission agrees with commenters that the threshold for accessing EmPower Plus should be sensitive to regional differences that affect a customer's need for and ability to participate in programs. NYSERDA is directed to modify the eligibility criteria for the low-income component of EmPower Plus to include households with an annual income at or below 60 percent of SMI or AMI, whichever is higher. The Commission also concurs with HCR and hereby directs PAs to coordinate with housing agencies to identify opportunities to align program eligibility for affordable multifamily buildings with the criteria that the housing agencies use in their respective programs. Conversely, regarding ACEEE's comments on easing LMI income verification, the Commission notes that the California program cited is a bill discount program and not a home weatherization program, which typically provide significantly greater subsidy per participant than bill discount programs. In comparison, the California Energy Savings Assistance Program, which is the ratepayer-funded low-income weatherization program in California, sets income-eligibility for services.[65]

[65] For more information on the California Energy Savings Assistance Program, see: https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/energy-savings-assistance.

Various comments also recommend that geo-eligibility, or eligibility based on geographic location, be incorporated into program designs. Rocky Mountain Institute (RMI), Bright Power, KC3, and Pratt Center support geographic eligibility to reduce income verification burden for contractors and customers and facilitate neighborhood-scale projects in disadvantaged communities. Bright Power recommends expanding the AMEEP Community Fast Track Initiative or Geo-Targeting Pilot, in particular. The City asserts that customers in disadvantaged communities should be automatically eligible for EmPower Plus. PULP and KC3 advocate for geo-specific incentives tailored to specific local environmental justice concerns, such as high emissions or flood vulnerability.

While the concept of geo-eligibility is well intentioned and holds the potential to reduce administrative burden for applicants and contractors, the Commission is concerned that this approach can inadvertently redirect limited program budgets to non-LMI customers. Given the geographic distribution of poverty within New York State, including Upstate and in urban areas, geo-eligibility could potentially give rise to non-income-eligible or market rate customers being able to enroll in LMI programs and potentially shift resources away from lower-income households, reducing the ability for the EE/BE programs to contribute to the Commission's public policy objectives related to energy affordability for the most vulnerable New Yorkers. For this reason, the Commission finds that open-ended geographic eligibility is not an appropriate strategy for programs that are specifically directed to address the needs of income-eligible customers. The Commission does acknowledge, however, that there may be specific use cases for which geographic eligibility could complement the administration of LMI programs, for instance, where the customers in a given community have been determined to meet income-eligibility requirements, or where non-LMI funds are being programmed. As such, rather than opting to broadly implement geographic eligibility to streamline participation in and administration of the various LMI EE/BE programs, the Commission instead directs the PAs to focus on other strategies to streamline enrollment in LMI EE/BE programs. Further, the Commission encourages the PAs to explore other opportunities to address community-scale decarbonization efforts. In the development of the LMI Implementation Plan, PAs should consult with stakeholders and DPS Staff on whether there may be specific opportunities to incorporate geographic eligibility in a manner that ensures LMI funds would not be directed towards non-LMI households.

7. LMI Electrification

The State's ability to decarbonize the buildings sector will require strategies and solutions to electrify space and water heating with heat pump solutions within the LMI market segment. On August 15, 2024, the Commission issued the Guarantee Order, which responds to a State Budget directive to ensure energy affordability for low-income EmPower Plus customers who electrify their homes.[66] In the Guarantee Order, the Commission affirmed its commitment to advancing clean energy solutions for LMI households, which include the replacement of fossil-fired space- and water-heating equipment with heat pumps. However, the Commission recognized the concern that converting to heat pumps can result in higher operating costs in some circumstances, particularly when the customer is converting from a lower-cost fuel. In that order, the Commission explained that because heat pump adoption in the LMI market segment has been limited to date, there are significant knowledge gaps on issues

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

pertaining to "the incremental electricity consumption and cost for low-income households operating heat pumps; the impact of heat pumps on household energy cost burdens; the interaction of home heating through heat pumps and other energy affordability programs such as the EAP, budget billing, HEAP; and strategies for optimizing heat pump installation and operations in various housing typologies."[67] More data and insights on these issues are needed to inform a strategy for deploying heat pumps in LMI homes without increasing energy burdens for those households.

In their EE/BE proposals, the PAs identified the inclusion of heat pumps in their work scopes for EE/BE projects. Con Edison proposed that it would begin incorporating BE offerings within AMEEP by 2026, and would prioritize providing envelope measures for electrifying buildings, offering tiered incentives for full/partial electrification, and developing an approach for incentivizing advanced controls that prioritize heat pumps. In its proposal, NYSERDA outlines several efforts to deliver electrification readiness and "affordable" electrification to LMI homes, including an emphasis on an "efficiency first" approach that involves the development of an envelope performance requirement that homes would have to meet before being assessed or incentivized for electrification. NYSERDA also suggests partial electrification solutions for customers in older homes where it can be challenging to achieve necessary envelope performance standards and where full load electrification could increase energy costs for a household. NYSERDA also proposes to incorporate heat pumps for water heating and space heating as part of a comprehensive upgrade in affordable multifamily programs.

[67] Guarantee Order, p. 5.

The Commission received a substantial number of comments on the topic of electrifying LMI homes and affordable housing. Responses were mixed, with some applauding the PAs for highlighting the issue, and others contending that the proposals do not contain adequate plans to resolve it. Commenters offered a wide range of recommendations to ensure that electrification does not increase burdens on LMI customers. As a starting point, many commenters recommend reducing the up-front costs of electrification projects to make them more affordable for LMI customers. Strategies offered by commenters include providing deeper incentives, allowing for incentive stacking, and coordinating EE/BE incentives with funding sources other than ratepayer collections. Some commenters support prioritizing electrification for those buildings that are least likely to experience increased operating costs after converting to heat pumps. Bright Power specifically recommends prioritizing electrification for buildings that currently heat with delivered fuels or electric resistance, because electrification is more likely to result in energy bill savings for these buildings than for buildings that heat with natural gas. RMI and AGREE also support targeting buildings that are able to electrify without adverse bill impacts. The City urges Con Edison to work together with NYSERDA and housing agencies to identify LMI buildings that are good targets for electrification, for example those that are master-metered and heat with oil.

Some commenters also emphasize the value of NYSERDA's "efficiency first" approach for mitigating operating costs of heat pump systems. For example, Building Decarbonization Coalition (BDC) expresses support for utility proposals to offer integrated or concurrent weatherization and heat pump incentives, and also encourages the PAs to address electrical upgrades in a similar manner. Other commenters recommend strategies to reduce costs such as developing heat-pump specific electric rates, building customer education into electrification projects to ensure that customers understand how to manage their heating load to minimize energy costs, and allocating funding for regular heat pump servicing and maintenance, preferably from the same contractor who installed the system.

Several commenters discuss the role that ratepayer assistance programs can play in addressing operating cost concerns for LMI customers converting to heat pumps. RMI, among others, suggests that ratepayer assistance programs should be expanded to aid customers with heating bills following electrification. PULP, ACE-NY/AEU, AGREE, and KC3 urge better coordination between ratepayer building electrification programs and HEAP, noting that low-income customers switching to heat pumps may lose access to HEAP benefits because HEAP does not currently recognize heat pumps as an eligible heating technology. AGREE urges DPS Staff and NYSERDA to work with OTDA to ensure that financial assistance is available to low-income heat pump users and that these users are automatically enrolled in applicable benefit programs (while acknowledging that these changes will require additional funding for HEAP). PULP comments that DPS Staff should coordinate with OTDA to send twice-yearly letters to submeterers reminding them of their tenants' rights under the PSL, and of financial assistance programs available for low-income utility customers. PULP further recommends ensuring that all submetered buildings become HEAP vendors so that their tenants may access HEAP benefits.

Conversely, multiple commenters note that electrifying LMI multifamily buildings could shift heating costs from building owners to tenants. Bright Power urges DPS Staff to work with HCR to develop guidelines for building electrification that protect tenants from cost-shifts in regulated affordable housing. Bright Power offers that in some regulated housing, cost-shifting can be mitigated by adjusting utility allowances. Bright Power also recommends establishing a process for addressing cost-shifting in rent-stabilized and rent-controlled units in conversation with HCR's Office of Rent Administration. Commenters like Bright Power, the City, and AGREE also note that cost shifting is especially challenging to address in non-regulated affordable housing, and warn that the Commission must do more to protect the tenants of these buildings. Other commenters like KC3 recommend that PAs provide residents with "Know Your Rights" resources (e.g., hotlines, independent appliance repair support, etc.), guidelines for electrification upgrade payment structures, flexible repayment terms, loan forgiveness, guardrails to prevent predatory marketing, community benefit/owner agreements that include provisions to maintain rents at or below fair market value, and tenant advocacy organization engagement as they pursue policy and/or statutory approaches that directly address cost-shifting to tenants.

The Commission appreciates the wide range of perspectives regarding the issue of building electrification, as well as the wide range of solutions proposed. Decarbonizing the buildings sector will require creative solutions to address the barriers to electrifying LMI households and affordable multifamily buildings. The challenges of electrifying space heating with heat pump solutions in LMI homes and in affordable housing that have been articulated by PAs and stakeholders, along with programmatic experience to date, indicate that the LMI market segment is not currently ready to adopt heat pump solutions at scale.[68] Installation costs, the potential for

[68] See, e.g., Case 18-M-0084, LMI Electrification Technical Conference Presentation (filed October 7, 2024).

increased energy burden, and the limitations on available data and insights on electrification in the LMI market segment, all present challenges to heat pump deployment for LMI households and in affordable housing. However, the Commission must take the opportunity to begin addressing these barriers now. While the Commission expects that the Energy Affordability Guarantee Pilot will foster a better understanding of the implications of heat pump adoption on the energy burdens of low-income New Yorkers, the Commission also maintains that it is possible to advance a strategic electrification framework within the LMI market segment that allows PAs to address early-stage opportunities to achieve the Commission’s co-equal priorities of reducing fossil fuel combustion and advancing energy affordability for lower-income New Yorkers.

To that end, the implementation of electrification in the LMI market segment through the 2026 through 2030 EE/BE portfolio shall be guided by the following principles:

i. **Prioritize Weatherization and Energy Efficiency.** The Commission supports NYSERDA’s “efficiency first” approach. PAs are required to ensure that homes or buildings receiving ratepayer-funded subsidies for heat pump solutions have been weatherized and have undertaken necessary energy efficiency upgrades before heat pumps are installed. Improving the envelope of a home or building and reducing end-use electric load will provide long-term reductions in energy use and associated costs for LMI households and affordable housing owners and will help to ensure that the heat pump installed operates efficiently. NYSERDA, Con Edison, and KEDNY and KEDLI should develop appropriate pre-electrification weatherization and efficiency requirements, incorporating input from stakeholders, and detail such requirements in the LMI Implementation Plan.

ii. **Focus on Energy Affordability.** PAs must assess the energy affordability implications of heat pump installations before a project is approved. This assessment should consider whether the overall energy costs for the household will increase or decrease as a result of the heat pump installation. This includes the shifting of heating costs from building owners to tenants in affordable multifamily buildings. If energy costs are expected to increase for the households as a result of the heat pump installation, the project should not go forward. This principle is not intended to limit a customer's choice, but rather is designed to ensure that limited ratepayer funds are directed to projects that maximize energy affordability and energy savings.

iii. **Target the Conversion of Delivered Fuels Customers.** Given that converting space heating from a lower cost fuel such as natural gas to a heat pump can potentially lead to an increase in home heating costs, PAs should prioritize the conversion of delivered fuel customers to maximize the energy affordability benefits for LMI customers.

iv. **Align Programs and Policies to Enable Affordable Electrification.**
As outlined in the Guarantee Order and reinforced by comments in this proceeding, there are a number of programs and policies at the State level that must be aligned to effectively support LMI electrification. This includes orienting bill assistance programs, such as the Energy Affordability Program and HEAP, to support customers that electrify their space heating; advancing

policy to limit the potential for cost-shifts from building owners to tenants; aligning submetering and electrification policies; and exploring additional opportunities to facilitate electrification while mitigating energy burden increases.

To advance this strategy, the Commission authorizes PAs to allocate up to 15 percent of LMI program budgets to support adoption of heat pumps in LMI one- to four-family and affordable multifamily buildings. This budget allocation is not intended to discourage electrification. Rather, the Commission seeks to prioritize weatherization and energy efficiency, as building envelope improvements and reductions to electric load can provide both bill savings and other benefits to buildings undergoing electrification. The Commission notes that the Non-LMI EE/BE portfolio will separately have a budget to support electrification measures for Non-LMI market segments. Given the difference in non-LMI and LMI program administration models, the Commission declines to approve stacking of Non-LMI and LMI programs. Non-LMI incentives are lower than LMI incentives by design and are typically delivered through rebates, while LMI projects require more diligence and consideration of affordability and the optimization of funds within a work scope. The NYSERDA residential engagement platform and the multifamily project database will play integral roles in the strategic deployment of electrification, as they will allow customers and PAs to track the EE/BE upgrades made over time and facilitate heat pump installations once the home or building is prepared.

PAs shall reflect this LMI electrification strategy in the design of their EE/BE programs, and shall document how the programs will advance this strategy within the LMI Implementation Plan. In addition, as the primary administrator of ratepayer funded low-income energy programs, NYSERDA should advance strategies for better integrating its low-income programs to increase the benefits that can be gained from ratepayer funds, including for LMI customers that electrify. In particular, NYSERDA should align its LMI EE/BE programs with the NY-Sun program's Solar Energy Equity Framework, for example, to streamline and prioritize enrollment of LMI households and affordable multifamily buildings that electrify into solar programs. Aligning these efforts can help to mitigate energy burden impacts associated with electrification by providing LMI customers undergoing building electrification with an opportunity to offset some of those costs with solar program bill credits. NYSERDA should include details in the LMI Implementation Plan on how it will improve alignment and coordination across the low-income programs that it administers.

With respect to additional stakeholder comments, the Commission agrees with KC3's recommendation to develop consumer-facing educational materials related to electrification, in addition to considering program design and coordination efforts that can help make electrification projects more accessible and affordable for LMI customers and affordable housing owners. PAs are directed to incorporate these considerations into their program designs, where practicable, including leveraging consumer-facing educational materials that may have or will be developed through the NYS Clean Heat efforts and in collaboration with the Regional Clean Energy Hubs. Several parties also commented on the role of bill payment assistance programs in helping to mitigate the potential for increased electricity costs for households that electrify. The Commission shares their concerns that the expansion of ratepayer-funded assistance programs would not be a sustainable solution to support electrification for LMI households, as this would further increase the burden on ratepayers to fund the clean energy transition. As stated above, the Commission supports, and explicitly directs NYSERDA to consider, coordinating and aligning with bill assistance programs to ensure that they are providing adequate support to customers with heat pumps. The insights gained through the Guarantee Pilot will help to inform future strategies for coordinating electrification and bill assistance programs.

Some commenters express a need for heat pump-specific rates. While rate design is beyond the scope of the EE/BE proceeding, the initiating Order for the Grid of the Future proceeding requires DPS Staff to develop a plan that identifies the potential for customer savings and benefits through improved, more economically efficient, and more customer-friendly price signals sent to utility customers through the rates and charges on utility bills.[69] In development of this plan, DPS Staff should explore alternate rate designs that can effectively support LMI electrification while also ensuring that the costs of providing and maintaining utility services remains just and reasonable.

Lastly, Both the NYSERDA and Con Edison LMI Proposals include considerations to support partial and phased electrification within the LMI market segment, with varying levels of support from stakeholders. These topics are discussed further in the discussion on the Strategic Framework.

8. NYSERDA Market-Supporting Activities

In addition to EE/BE programs serving the LMI market segment, the Order Directing Proposals directed NYSERDA to propose market-supporting activities in the following areas: (a) workforce development; (b) codes and standards; (c) technical assistance/audits; (d) purposeful demonstration pilots; and (e)

[69] Case 24-E-0165, Grid of the Future, Order Instituting Proceeding (issued April 18, 2024).

general consumer awareness and education. NYSERDA proposes to fund its codes and standards, technical assistance/audits, and purposeful demonstration pilot activities out of its Non-LMI portfolio budget. Those proposals are addressed in the Non-LMI EE/BE Order. In the areas of workforce development and general consumer awareness and education, NYSERDA includes activities in both its Non-LMI and LMI proposals, and proposes funding through both Non-LMI and LMI portfolio budgets. The Commission addresses the components included in the NYSERDA LMI Proposal here.

a. Resource Allocation

As discussed above, vast resources are required to advance energy efficiency and clean energy solutions in the LMI market segment to meet the CLCPA's goals and other State energy and affordability objectives. While acknowledging that more funding would be needed to meet the needs and opportunities of the LMI segment, the Commission nonetheless maintains the budget-bounded approach taken in the Order Directing Proposals, along with the overall budget allocation to the LMI EE/BE portfolio. Given these budget limitations, the Commission reiterates the need to maximize the proportion of funding directed to EE/BE projects within the 2026-2030 LMI Portfolio budget.

Regarding market-supporting activities, the Commission hereby modifies NYSERDA's proposed budget allocations, including: shifting the relative allocation of workforce development and Disadvantaged Communities outreach and engagement budgets between the LMI and Non-LMI portfolios; increasing the total funding available for workforce development; decreasing NYSERDA's total budget for general awareness and education; and reducing program administration costs. These modifications will result in a reallocation of

$97.7 million into LMI EE/BE programs, and are detailed in Appendix D.

Regarding the modified general awareness and education budgets, the Commission acknowledges that reducing funding may limit some activities with potential to drive benefits to LMI customers. Comments received by the Commission reflect the challenge of finding the right balance between direct support for EE/BE projects and efforts that reduce other, non-financial barriers to EE/BE program uptake. For example, Opower and Enervee stress the importance of funding for engagement, particularly for LMI and Disadvantaged Community customers, and highlight the role that behavioral programs and marketplaces can play in reaching these customers. HCR urges the Commission to allow PAs to include adequate budget lines for community and customer outreach and education, and recommends developing a regional communication plan catering to LMI and Disadvantaged Communities. While AGREE calls for comprehensive, coordinated outreach, it also raises concern that NYSERDA's proposals lean too heavily on outreach and education rather than on addressing the physical barriers to weatherization and EE in Disadvantaged Communities. Similarly, the Pratt Center asserts that NYSERDA's proposed budget for outreach and education is too high, and asserts that such activities will be ineffective until programs like EmPower Plus are better designed and more amply resourced.

The Commission agrees that NYSERDA's proposals are too heavily weighted towards general awareness and education. Especially given the relatively low number of projects in one- to four-family homes that NYSERDA proposes to achieve through EmPower Plus in 2026-2030, the Commission finds it appropriate to adjust NYSERDA's budgets to prioritize funding for EE/BE projects over general marketing activities. Additional guidance regarding the efficient use of general awareness and education budgets to support the LMI portfolio is provided in the section addressing General Consumer Awareness and Education, below.

NYSERDA proposes to divide the cost of its workforce development and general awareness and education activities between its LMI and Non-LMI portfolio budgets. Of the $66.1 million total budget for workforce development, NYSERDA proposes funding $49.6 million, or around 75 percent, out of the LMI budget. Of the $168 million proposed for general awareness and education, NYSERDA proposes funding $109.1 million, or around 65 percent, out of the LMI budget. In the Commission's view, requiring the LMI budget to bear the majority of these costs is both inappropriate and inconsistent with our goal of maximizing the resources available to support LMI EE/BE projects. As NYSERDA recognizes in its proposals, market-supporting activities provide benefits to both LMI and Non-LMI market segments, and it is challenging to track their differentiated benefits between the two. In the area of workforce development, ratepayer-supported activities historically have been funded outside of the LMI budgets, given that workforce development has market-wide impacts and LMI budgets are necessarily focused on supporting energy efficiency and weatherization projects in the LMI market segment.

The Commission is also concerned that NYSERDA's proposed allocations reflect a conflation of LMI customers with Disadvantaged Communities. For example, under the workforce development umbrella, NYSERDA proposes training workers from Disadvantaged Communities and "priority populations" as an outcome of its efforts under the 2026-2030 LMI Portfolio, but not the Non-LMI portfolio. In general awareness and education, NYSERDA proposes to fund Disadvantaged Community outreach and education activities solely through the 2026-2030 LMI Portfolio. Disadvantaged Communities, however, can include customers of all income levels that require engagement on clean energy opportunities, including commercial and industrial customers. Furthermore, as the Commission articulated in the Order Directing Proposals, it expects all PAs to provide benefits to Disadvantaged Communities through their Non-LMI portfolios, and not only through programs for LMI customers.[70] For these reasons, and based on the need to maximize the proportion of LMI portfolio funding allocated to LMI EE/BE projects, the Commission hereby adjusts the distribution of NYSERDA's workforce development and general awareness and education budgets between the two portfolios, while maintaining NYSERDA's total Non-LMI and LMI portfolio budgets at the levels established in the Order Directing Proposals.

The Commission underscores that reducing the 2026-2030 LMI Portfolio budget for workforce development will not result in reduced benefits for LMI customers or the LMI market segment relative to Non-LMI customers or the Non-LMI market. Indeed, the budgets authorized in these orders increase the overall funding available for workforce development, which we expect will drive increased benefits to LMI customers over NYSERDA's original proposal. The present authorizations also do not effectively reduce overall funding for Disadvantaged Communities engagement and outreach. The Regional Clean Energy Hubs, Energy Equity Collaborative, and protocols for compensating Disadvantaged Community stakeholders will continue to be supported through the LMI and Non-LMI portfolios. Despite NYSERDA's removal of the Decarbonization Opportunity Prize program, further discussed below under General Consumer Awareness and Engagement, we expect that funds that had been

---

[70] The Non-LMI EE/BE Order addresses the PAs' proposals regarding Disadvantaged Communities and expands on the expectation that PAs take a more comprehensive, multi-sector approach.

dedicated to that initiative will be repurposed within the NYSERDA budget to support additional programming to support Disadvantaged Communities. The Commission expects these Disadvantaged Communities engagement initiatives to provide benefits to both LMI and Non-LMI households and improve both LMI and Non-LMI program uptake.

b. Workforce Development

Workforce development is a critical market development function and a linchpin of New York State's ability to scale the adoption of EE/BE solutions and benefit Disadvantaged Communities. As outlined in the Order Directing Proposals, NYSERDA is responsible for providing programming to address EE/BE market development needs. To that end, NYSERDA proposes to administer three programs: Clean Energy Career Pathways Training Cohorts, Targeted Skills Training and Upskilling, and "Earn as You Learn" Wage Reimbursement and Retention Incentives. NYSERDA's proposals include a total of $66.1 million for workforce development activities over the 2026–2030 program period ($16.5 million for Non-LMI, and $49.6 million for LMI). NYSERDA proposes to discontinue its Clean Energy Internship and Climate Justice Fellowship programs and pursue other funding sources for activities currently conducted through its Career Awareness and Outreach in K-12 Schools and Building Operations and Maintenance Training programs. NYSERDA proposes to train 750 new workers as an outcome tied to its Non-LMI portfolio spending and 5,000 new workers from Disadvantaged Communities and priority populations as an outcome tied to its 2026-2030 LMI Portfolio spending.

Multiple parties including BDC, AGREE, NRDC, ACE-NY/AEU, and RMI comment that the budget and goals proposed by NYSERDA are not sufficient to build a workforce of the scale and diversity necessary to achieve New York's climate goals. Some commenters flag the need for multi-agency coordination and collaboration with community-based organizations (CBOs), while others lament the lack of a comprehensive study of the assets and needs of New York State’s clean energy industries regarding education and workforce, as recently undertaken in jurisdictions such as New Jersey and Massachusetts. NY-GEO urges NYSERDA to ensure that workforce training initiatives are accessible to non-union workers in parts of the State where unions do not exist or are not a significant part of the local workforce.

To date, ratepayer-funded workforce development initiatives administered by NYSERDA have largely focused on training existing and potential new workers, with a goal to train up to 40,000 workers through 2025, with NYSERDA reporting 33,327 individuals trained as of the fourth quarter of 2024.[71] However, in its 2024 Clean Energy Industry Report, NYSERDA reports that 24 percent of employers in the building decarbonization and energy efficiency sector find it very difficult to hire new workers, while 76 percent of employers in this sector report that it is somewhat difficult to hire new workers. While the Commission is encouraged by NYSERDA’s proposal to focus on job placement in the 2026-2030 workforce programs, more is needed to bridge the gap between workers trained and employers seeking to hire. This should include working with the large network of EE/BE contractors that participate in NYSERDA and utility EE/BE programs to ensure that training curricula and program designs align with contractor needs and create a pipeline of trainees that can be hired by EE/BE contractors.

The Commission notes that NYSERDA has included CBOs and nonprofit entities in the list of program-specific

[71] Case 14-M-0094, NYSERDA CEF 2024 Annual Performance Report (filed March 31, 2025).

stakeholder engagement that will be necessary to advance the proposed programs. However, the Commission agrees with commenters that additional collaboration is necessary between NYSERDA and CBOs that represent Disadvantaged Communities to identify needs and opportunities to more broadly address workforce development and training challenges for these communities. We also agree with commenters on the need to better assess the workforce training and employment needs and opportunities across New York State’s EE/BE ecosystem, inclusive of contractors; workforce training entities, including the New York State Department of Labor, the State University of New York, State Department of Education, NYSERDA, and local agencies; and nonprofit entities and CBOs who serve Disadvantaged Communities. To inform the development of EE/BE workforce development strategies in 2026-2030, NYSERDA is hereby required to conduct an assessment, in consultation with DPS Staff, as described above, to be filed no later than January 31, 2026. The scope for this assessment should be developed through collaboration with stakeholders. NYSERDA shall consult DPS Staff on the development of a plan to undertake this assessment.

With respect to NYSERDA’s proposal to defund the Clean Energy Internship program and Climate Justice Fellowship program, various commenters oppose elimination of these programs, stating that NYSERDA should do more to support students and new workers in clean energy career pathways. KC3 recommends continuing the programs with an exclusive focus on training workers within Disadvantaged Communities. The City states that workforce development programs should prioritize workers from Disadvantaged Communities, while Bright Power suggests that these programs should focus on low-income communities and lowering barriers to entry for people without college degrees. The Commission agrees with the prioritization of residents of Disadvantaged Communities and low-income individuals. NYSERDA should consider, before closing the Clean Energy Internship and Climate Justice Fellowship programs, whether the role served by these programs can be filled through other programs in the portfolio. NYSERDA should also ensure that the suite of workforce development offerings in 2026-2030 provide ample opportunities for new workers from Disadvantaged Communities to gain exposure to and support in pursuing clean energy careers.

NRDC expresses concern about NYSERDA's proposal to eliminate funding for Building Operations and Maintenance training program, stating that training in this area is important for ensuring the success of building retrofit projects by supporting proper maintenance of heat pumps. The Commission agrees that well trained building operations and maintenance personnel are important to ensure successful outcomes. The Commission expects NYSERDA to include this topic in the assessment of workforce assets and needs previously discussed and encourages NYSERDA to seek ways to continue to support building operations and maintenance activities (e.g., potentially through technical assistance or other approaches), to address the deficiencies NYSERDA has observed in the Building Operations and Maintenance training program.

The Commission agrees with those commenters who state that more funding should be allocated to workforce development. The potential to scale adoption of EE/BE solutions, and the success of the ratepayer-funded EE/BE programs, depends on the availability of installation and technician capacity in New York State. Furthermore, as highlighted above, we find it inappropriate to assign the majority of funding for workforce development, and the sole responsibility for training workers from Disadvantaged Communities and "priority populations," to the 2026-2030 LMI Portfolio. Based on these factors and the unique role NYSERDA can play in helping to advance New York's EE/BE workforce, the Commission will allocate a total of $83.0 million across the Non-LMI and LMI portfolios ($53.0 million allocated to the Non-LMI portfolio and $30.0 million allocated to the 2026-2030 LMI Portfolio), as reflected in Appendix D. In reducing the proportion of workforce development funding allocated to the 2026-2030 LMI Portfolio, the Commission does not intend for NYSERDA to reduce the number of workers from Disadvantaged Communities expected to be trained through these programs. Rather, NYSERDA should realign its outcomes such that benefits to Disadvantaged Communities result from its Non-LMI portfolio spending, as well as its LMI Portfolio spending.

Based on the discussion above, the Commission directs NYSERDA, within 90 days of the date of this Order, to include modified strategies in a singular EE/BE Workforce Development Implementation Plan to be filed for DPS Staff approval, including solutions for linking trainees to contractors participating in ratepayer-funded EE/BE programs. These strategies shall be informed from input from stakeholders including other state agencies, contractors, and community-based organizations. Due to the cross-portfolio nature of NYSERDA's Workforce Development activities, the singular EE/BE Workforce Development Implementation Plan shall include both the Non-LMI and LMI budget allocations. Because findings from the EE/BE Workforce Development Assessment will not yet be available to inform the initial EE/BE Workforce Development Implementation Plan, NYSERDA shall incorporate modifications based on those findings into future filings of the implementation plan.

c. General Consumer Awareness and Education

In the Order Directing Proposals, the Commission recognized that the clean energy transition envisioned by the

CLCPA requires educating consumers and service providers about the availability, operation, and benefits of technologies to more efficiently heat and cool New York's buildings.[72] The Commission recognized NYSERDA's leading role in advancing this education and called on NYSERDA to propose general awareness and education activities for 2026-2030. The Commission cautioned that NYSERDA's activities would not replace the need for utility-specific program marketing, and noted NYSERDA's activities as part of the New York State Clean Heat program as an example of effective coordination between NYSERDA marketing and education and utility offerings that should be considered for future campaigns. The Order Directing Proposals also required NYSERDA to leverage its touchpoints with market actors such as contractors, retailers, and manufacturers in their general awareness efforts, and to advance outreach and awareness at the local level through the Regional Clean Energy Hubs. Noting the difficulty of measuring outcomes associated with awareness activities, especially given the potential for overlap between NYSERDA and utility marketing, the Commission directed NYSERDA to articulate a methodology for tracking and ensuring the effectiveness of its efforts. Finally, the Commission encouraged NYSERDA to assess, in coordination with the Utilities, the possibility of providing real-time information to customers about EE/BE programs and incentives available to them in their particular circumstances and location, to help them better navigate the complex and often confusing landscape of EE/BE resources in New York.

NYSERDA's proposals include a total of $168 million for general awareness and education activities over the 2026-2030 program period ($58.9 million for Non-LMI and $109 million

[72] Order Directing Proposals, p. 66.

for LMI). NYSERDA proposes that funding from the 2026-2030 LMI Portfolio would be used to support: (a) general consumer awareness efforts, including expanded outreach and marketing related to LMI building weatherization; and (b) Disadvantaged Community Outreach and Engagement initiatives, including the Regional Clean Energy Hubs, Energy Equity Collaborative, Stakeholder Services Pool and Reimbursement Protocol, and Decarbonization Opportunity Prize program.

In the Non-LMI EE/BE Order, the Commission directs NYSERDA to refine its approach to general consumer awareness initiatives. While acknowledging the need for broad awareness and education efforts to advance the clean energy transition demanded by the CLCPA, the Commission states that NYSERDA can be most effective by strategically deploying general awareness efforts to support the uptake of EE/BE programs and completion of EE/BE projects in homes and buildings. The Commission also clarifies that, to ensure a marketing strategy that is right-sized to program needs, the costs of marketing associated with specific NYSERDA initiatives should be included within the program budgets, and not in the budget allotted for general consumer awareness and education.

This guidance from the Non-LMI EE/BE Order extends to NYSERDA's general consumer awareness efforts within the 2026-2030 LMI Portfolio. The Commission supports the proposal to expand LMI outreach and marketing related to building weatherization, within the modified budget parameters detailed above. However, given these budget limitations and the need to prioritize funding for EE/BE projects, it is essential that NYSERDA take a targeted approach to consumer awareness and marketing that coordinates with LMI program needs and capacity and concentrates on those customers who will benefit the most from participating in EE/BE programs. In other words, NYSERDA marketing efforts should be synchronized to drive participation levels that can be supported with available program budgets. In the discussion of EmPower Plus above, the Commission stated that the first priority should be delivering services to low-income households with high energy consumption, because projects for those households hold the greatest potential to result in substantial energy bill savings and GHG emissions reductions. The Commission agrees with NYSERDA's assertion that the Utilities are in the best position to identify these customers. Therefore, NYSERDA should focus on targeted outreach to customers identified by the Utilities as high priority, as well as customers in geographic areas where NYSERDA and/or stakeholders, including the Regional Clean Energy Hubs, identify a need and/or capacity to serve more customers, ahead of implementing broader general awareness campaigns.

The NYSERDA LMI Proposal also discusses the role that its Statewide Residential Engagement Website will play in streamlining access to programs and information for LMI customers. This proposal is more fully discussed in the Non-LMI EE/BE Order. There, we stress that it is imperative for NYSERDA to collaborate with the Utilities in the development and implementation of the Statewide Residential Engagement Website to ensure that it integrates offerings across the entire EE/BE portfolio and satisfies the need, expressed by commenters and by the Commission in the Order Directing Proposals, for a more streamlined, accessible, and comprehensive customer interface. The Non-LMI EE/BE Order establishes that NYSERDA and the Utilities will not have access to funds budgeted for this platform until the plan is approved by Staff. Specifically as to the 2026-2030 LMI Portfolio, the residential engagement platform has the potential to benefit LMI customers, including facilitating the ability for LMI customers to track weatherization and decarbonization upgrades over time.[73] The Commission supports NYSERDA's proposal to maintain the NY Energy Advisor website in concert with the proposed platform, to serve as a resource for LMI renters and homeowners seeking information about energy-related programs offered by NYSERDA, the Utilities, and others.

In addition to funding for general consumer awareness activities, NYSERDA's LMI proposal includes continued funding for three existing Disadvantaged Communities engagement initiatives (the Regional Clean Energy Hubs, Energy Equity Collaborative, and Disadvantaged Communities Stakeholder Services Pool and Reimbursement Protocol), and funding for a new Decarbonization Opportunity Prize program.[74]

The Commission received few comments directly addressing NYSERDA's Disadvantaged Community engagement proposals. However, both the PAs' proposals and public comments on the proposals refer frequently to the Regional Clean Energy Hubs, in particular, as essential partners in deploying LMI EE/BE programs and fostering awareness and education of clean energy technologies and opportunities across the state. ACE-NY/AEU advocates increasing funding for the Regional Clean

[73] While NYSERDA's proposal describes the Residential Engagement Platform as a new initiative, NYSERDA has subsequently indicated that the initial development and launch of the platform, MyEnergy, totaling $11.3 million, has been supported through $5.8 million from the current CEF Market Development program and the remainder through other funding sources. The NYSERDA LMI Proposal includes an estimate of two percent of program budgets for ongoing maintenance of all of NYSERDA's EE/BE related systems, including the residential engagement platform.

[74] NYSERDA subsequently indicated that it would not be proceeding with the Decarbonization Opportunity Prize Program. See p. 25, supra.

Energy Hubs to ensure that they can continue to operate through 2030.

The Commission supports NYSERDA's Disadvantaged Communities engagement proposals and directs NYSERDA to work together with DPS Staff to identify opportunities for these initiatives to support the EE/BE portfolio, for example, by helping to disseminate program information to interested stakeholders, offering venues for collaboration on program design, and communicating feedback from Disadvantaged Community stakeholders around New York State. Further, the level of engagement that will be fostered through these investments should be leveraged to the greatest extent possible by DPS Staff and the Utilities, to ensure that the ratepayer funds being invested can have the greatest impact and help to avoid redundant investments through the Utilities. This collaboration should help to mitigate engagement fatigue and administrative burden amongst stakeholders, where they may otherwise need to engage with NYSERDA and the Utilities on the EE/BE programs separately. NYSERDA and the Utilities are hereby directed to collaborate to ensure that stakeholder engagement through the Regional Clean Energy Hubs, the Energy Equity Collaborative, and the Disadvantaged Communities Stakeholder Services Pool can be leveraged to support the collective work of the overall EE/BE portfolio. DPS Staff are also directed to explore how to leverage these important initiatives to address engagement needs of the Department, where relevant.[75]

The Regional Clean Energy Hubs hold the promise to serve as a valuable link between the PAs administering EE/BE

[75] For instance, the Regional Clean Energy Hubs can be leveraged to provide information on utility consumer protections to the communities that they are serving.

programs and the communities they serve, and the Commission approves NYSERDA's proposal to continue funding them. However, the Commission needs better insight into how effectively they are serving communities in each region, including the degree to which they are increasing uptake of EE/BE and other clean energy programs. Accordingly, the Commission directs DPS Staff to work with NYSERDA to review how the Hubs' performance is reported and assessed, and to incorporate additional reporting requirements sufficient to provide DPS Staff and the Commission with insight into their effectiveness into the performance management framework discussed above. The Commission further directs NYSERDA to detail a plan for ensuring that the Hubs' activities are aligned with the direction and capacity of the EE/BE programs administered by NYSERDA and the Utilities in their regions, and to include these details in the LMI Implementation Plan.

Finally, the Commission emphasizes that NYSERDA's Disadvantaged Community Engagement proposals should not be understood as serving primarily LMI customers or working primarily with LMI programs. As discussed above, the budgets authorized in this Order and the Non-LMI EE/BE Order distribute funding for these initiatives more evenly between the LMI and Non-LMI portfolios, to reflect the Commission's position that the responsibility to invest in EE/BE and clean energy solutions in Disadvantaged Communities must not fall primarily to the 2026-2030 LMI Portfolio.

Disadvantaged Communities

Ensuring that Disadvantaged Communities are positioned to participate in and benefit from the clean energy transition is a priority for the Commission. In response to the Commission's directive in the Order Directing Proposals, the PAs included strategies for advancing EE/BE activities in

Disadvantaged Communities in their Non-LMI proposals. The proposed strategies are addressed in the Non-LMI EE/BE Order.

Both the City and the Pratt Center comment that PAs should not be able to claim a low-income investment as a Disadvantaged Community investment if the low-income customer is located outside of a Disadvantaged Community. However, the Climate Justice Working Group explicitly included low-income households in the Disadvantaged Community Criteria for the purposes of the accounting of clean energy and energy efficiency investments.[76] The inclusion of investments outside of Disadvantaged Communities in the accounting methodology reinforces the need for PAs to ensure that programs remain available to support vulnerable populations that are not located within geographic Disadvantaged Communities. This is especially pertinent given that nearly half of the State's low-income households reside outside of Disadvantaged Communities.[77] However, the Commission notes that the inclusion of low-income investments outside of Disadvantaged Communities in the tracking and reporting of investments may inadvertently skew the perception of the impact of investments within Disadvantaged Communities. From 2020 through 2023, for total place-based investments, including programs such as those providing energy efficiency and building electrification support, as well NY-Sun and the EV Make-Ready Program and low-income bill assistance programs, 35 percent of ratepayer funded investments were located within geographic Disadvantaged Communities.[78] When

---

[76] See Disadvantaged Communities Criteria Final Report.

[77] Id.

[78] The PAs file reports on Disadvantaged Community investments and co-benefits in Matter 23-02017. As of April 1, 2025, PAs have filed reports for 2020-2023.

accounting for low-income investments outside Disadvantaged Communities, the total increases to 60 percent.

These data points indicate that there is opportunity for ratepayer-funded programs to increase investments in geographic Disadvantaged Communities, to achieve the CLCPA goal that 40 percent of clean energy investments benefit Disadvantaged Communities. While the Commission cannot modify the Disadvantaged Communities criteria or methodology for how the investments and benefits will be accounted for under the CLCPA, the Commission is dedicated to maximizing the impact of the EE/BE portfolio within geographic Disadvantaged Communities and hereby reinforces that PAs must focus on reaching a collective goal of at least 40 percent of annual EE/BE program investments occurring within geographic Disadvantaged Communities, with a minimum of 35 percent of investments within geographic Disadvantaged Communities, in parallel with continued programmatic support for low-income households located outside of Disadvantaged Communities. PAs should administer their EE/BE programs with this goal in mind, and DPS Staff should continue to track and report investments in a manner that allows the public to discern the level of investment within geographic Disadvantaged Communities. DPS Staff is also directed to work with PAs to address instances of under-investment and optimize the level of collective investment within geographic Disadvantaged Communities, while simultaneously advancing LMI programming in furtherance of the Commission’s energy affordability objectives.

As noted above, Con Edison proposes to increase the percentage of affordable multifamily investments outside of Disadvantaged Communities that can be claimed towards the Disadvantaged Community Investment and Benefits Requirement from 40 percent to 49 percent. The Commission notes that the 40 percent factor specified in DPS Staff's CE-12 Guidance Document was developed based on an inventory of the percentage of low-income tenants in the State's affordable housing portfolios. The proportion of low-income tenants in affordable multifamily housing differs by building and by area, and different sources of data yield varying estimates of the average. Basing reporting on a higher assumed proportion does not increase the number of projects that can be completed, or the number of low-income tenants served through EE/BE programs. Accordingly, the Commission declines to alter the reporting guidance in this Order, but emphasizes that, as with all guidance documents, Staff is expected to monitor Disadvantaged Communities reporting guidance over time and make adjustments as appropriate.

Strategic Framework

As outlined in the Order Directing Proposals, the Strategic Framework requires PAs to allocate a minimum of 85 percent of portfolio budgets to Strategic measures or programs, up to 15 percent of portfolio budgets to Neutral measures or programs, and no funding to Non-Strategic measures or programs. Many commenters on the EE/BE proposals indicate their support for narrow deviations from the Strategic Framework to address challenges specific to the LMI market segment and guard affordability for LMI customers. The Commission acknowledges differences in the LMI and non-LMI market segments that warrant slight modifications to the Strategic Framework that supports energy affordability for customers. Some energy efficiency measures that do not require incentives to drive adoption in the non-LMI market segment may require incentives in the LMI market segment, because LMI building owners are less able to afford them without those incentives. EE and BE projects may also entail different scopes of work between LMI and non-LMI buildings, due to a greater prevalence in LMI buildings of issues related to aging equipment and deferred maintenance. In addition, limited modifications to the Strategic Framework may be appropriate to address a slight difference between the objectives of the LMI and non-LMI portfolios – while both share the objectives of reducing energy use and end-use carbon emissions from the buildings sector and building the market for clean-energy and energy efficient technologies, construction, and retrofits in New York, the 2026-2030 LMI Portfolio more heavily emphasizes the energy affordability benefits that EE/BE projects provide. The Strategic Framework for LMI must balance this emphasis on energy affordability with the need to ensure that LMI customers are prioritized, rather than left behind, in the State's transition to cleaner and more efficient energy use.

Based on the foregoing, the Commission approves minor modifications to the Strategic Framework. The intention of the Strategic Framework is to ensure that ratepayer funding is deployed in a targeted way to further New York State policy goals. These limited deviations are outlined below and reflected in Appendix A.

1. Lighting

Both NYSERDA and Con Edison propose to modify the Strategic Framework to allow lighting incentives in the LMI market segment. Con Edison proposes to classify lighting measures as Neutral. NYSERDA proposes to classify them as Strategic, but only when they are part of a comprehensive project and represent a small portion of the total project cost.

NY-GEO, AEA, Bright Power, and others agree with NYSERDA's proposal to incentivize lighting measures as part of a comprehensive package for LMI buildings. ACEEE specifies that lighting measures installed in this context should be considered Neutral, rather than Strategic as NYSERDA proposed. Franklin Energy states that eliminating incentives for lighting measures in LMI buildings and buildings in Disadvantaged Communities will discourage participation in EE/BE programs, whereas combining lighting with other Strategic and Neutral measures will improve project paybacks.

In the Non-LMI EE/BE Order, the Commission is reaffirming that lighting incentives will be considered Non-Strategic for the Non-LMI residential market segment, because advances in federal efficiency standards for general service lamps have rendered those incentives unnecessary. However, while the Commission sees potential for high levels of free-ridership in the Non-LMI market segment, comments suggest that this risk is lower in the LMI market segment, where upfront costs are a greater barrier even to EE/BE improvements that promise significant energy savings. The Commission therefore agrees that limited incentives for lighting measures are appropriate as part of LMI comprehensive projects in both the one- to four-family and multifamily market segments, for a defined timeframe. Lighting measures in this context will be considered Neutral and must be part of a comprehensive work scope that includes upgrades to building envelope and/or other systems, and must represent a small portion of the overall project cost. PAs shall include details on the parameters for lighting incentives in the LMI Implementation Plan. This modification shall run through 2027, at which point incentives shall no longer be provided for lighting measures.

2. Appliances

The Order Directing Proposals specified that electric plug-in appliances, including refrigerators, freezers, and other equipment not permanently connected to the building, would not be incentivized under the Strategic Framework for 2026-2030, based on advancements in appliance efficiency standards. The

Commission is affirming this position in the Non-LMI EE/BE Order.

In their LMI proposals, Con Edison proposes to categorize refrigerators and other appliances as Neutral, and NYSERDA proposes to categorize refrigerators as Strategic when they meaningfully contribute to energy affordability. Commenters including AGREE and ACE-NY/AEU support NYSERDA's proposal as part of their suite of proposed modifications to the Strategic Framework for LMI customers. The Pratt Center urges the Commission to consider incentivizing induction stoves for their health and safety benefits and because they promote interest in further home electrification measures.

In New York, 51 percent of refrigerators in use are at least 10 years old, with 11 percent older than twenty years.[79] In addition, data from the U.S. Energy Information Administration suggests that refrigerators account for an average of 10 percent of end-use household electricity consumption.[80] This figure is likely higher for LMI households using older, less efficient refrigerators. The Commission therefore sees potential for significant efficiency and affordability gains from supporting upgrades to more efficient models. Refrigerator incentives may also be more accessible to customers who rent their homes, a customer segment that some commenters have identified as underserved by the EE/BE portfolios. For these reasons, the Commission adopts NYSERDA's

---

[79] NYSERDA, 2019 Residential Building Stock Assessment (issued October 2019), available at: https://www.nyserda.ny.gov/About/Publications/Evaluation-Reports/Building-Stock-and-Potential-Studies/Residential-Building-Stock-Assessment.

[80] Energy Information Administration data regarding household end-use consumption is available at: https://www.eia.gov/consumption/residential/data/2020/state/xls/ce4.1.el.st.xlsx.

proposal to classify refrigerators as Neutral measures for LMI programs, provided that the administrating PA can demonstrate that a refrigerator replacement will meaningfully reduce energy consumption and therefore energy burden for program participants. The PAs should articulate in the LMI Implementation Plan a methodology and criteria for determining if a refrigerator will provide a meaningful affordability benefits, before approving such a refrigerator incentive.

With respect to other plug-in appliances, the Commission declines to modify the Strategic Framework at this time. Instead, the Commission reiterates that the focus of the LMI portfolio budget should be on measures that can save the most energy, and effectively reduce energy burden, for LMI households.

3. Direct Install Measures

As discussed above, NYSERDA proposes to continue offering both the Comprehensive and Direct Install tracks of EmPower Plus. Through the Direct Install program, customers can receive, at no cost, certain EE improvements identified during their initial home energy assessment, including low-flow shower heads, advanced power strips, thermostats, and pipe insulation. However, some of the measures included in NYSERDA's Direct Install program do not meet the definition of Strategic Framework articulated in this order, either because they have an EUL of six years or less or, like LED lighting, can be characterized as "naturally occurring" energy efficiency due to the evolution of market standards.

The Commission agrees with NYSERDA that there should be a role for Direct Install measures for LMI customers within the Strategic Framework. In addition to helping reduce energy costs for LMI customers, Direct Install measures can provide crucial EE improvements to LMI renters, a customer segment that has been identified as underserved by the present portfolios. NYSERDA's proposed approach to its Direct Install program, including eliminating incentives for lighting (except as part of comprehensive projects, as articulated above) and monitoring other Direct Install measures on an ongoing basis to determine whether incentives continue to be warranted, is reasonable. NYSERDA should consult with DPS Staff and obtain Staff approval prior to adding or removing any measures related to the Direct Install program.

4. Gas Equipment and Efficiency Measures

Con Edison and National Grid both propose an exception to the Strategic Framework for gas combustion devices installed in buildings served through LMI multifamily programs, which they state should be classified as Neutral instead of Non-Strategic. While NYSERDA does not anticipate providing LMI incentives for more efficient combustion-based heating equipment, it suggests a limited exception on a case-by-case basis in the event of an emergency. NYSERDA, Con Edison, and National Grid all propose to reclassify some gas efficiency measures with EULs of six years or less as Neutral.

As discussed in the Non-LMI EE/BE Order, many commenters support the Strategic Framework's general prohibition on funding for new gas combustion equipment, including ACE-NY/AEU, Sealed Inc., Bright Power, and NRDC. Regarding the LMI segment, in particular, ACEEE opposes Con Edison's proposal to classify new gas combustion devices as Neutral for multifamily projects, arguing that incentive dollars should be directed to building envelope projects or to buildings that are ready to electrify instead of used to lock in further decades of gas use.

Some commenters do support funding for measures to improve the efficiency of existing gas combustion equipment. For example, HCR recommends that steam traps, boiler repairs, and other gas efficiency measures should be classified as Neutral in cases where an LMI building owner cannot afford or justify full system replacement, while AEA and ACE-NY/AEU agree that limited incentives for gas efficiency measures should be allowed as Neutral for LMI multifamily buildings.

The Commission agrees with commenters that ratepayer funding should not be used to incentivize the purchase of new gas combustion equipment in one- to four-family LMI programs. Regarding the emergency replacement of gas heating appliances through EmPower Plus, numerous commenters call for an emergency replacement protocol for heating systems. Given the finite EE/BE budgets and the great need for EE/BE support in the LMI market segment, the Commission maintains that funding for weatherizing homes should be prioritized over funding for full electrification under emergency circumstances. The Commission finds that emergency replacement of gas heating appliances will be allowable as Neutral only for low-income customers in emergency no-heat circumstances who have been denied the Heating Equipment Repair or Replacement benefit offered through the HEAP Heating Equipment Repair and Replacement program, administered by OTDA.

In the multifamily segment, the Commission recognizes that in cases where electrification is not feasible, substantial energy savings and affordability benefits may be achieved through higher efficiency gas combustion equipment. NYSERDA's April 2023 Assessment of Energy Efficiency and Electrification Potential in New York State Residential and Commercial Buildings (Assessment) found that multifamily buildings face greater non-financial barriers to electrification than single-family homes.[81] The Assessment also found significant potential for cost-effective energy savings in the multifamily sector in HVAC improvement measures (i.e., high efficiency boilers or furnaces) when coupled with building shell improvements.

The Commission understands commenters' concerns about ongoing gas combustion equipment incentives, but given the need to continue to drive efficiency, particularly in hard-to-electrify situations, the Commission finds there are some limited circumstances where gas combustion equipment in the multifamily sector should be allowed to continue through 2030. These limited circumstances may include replacement of boilers only in situations where there would be a significant efficiency gain over minimum required standards and where the replacement is accompanied by comprehensive control upgrades and retro-commissioning to ensure optimal performance of the thermal system. PAs should include details of offerings for gas combustion equipment for affordable multifamily buildings in the LMI Implementation Plan, to be reviewed and approved by DPS Staff, as to the criteria that will be used to identify appropriate use cases, and the level of funding that will be allocated for this purpose with the caveat that in all circumstances the proportional level of funding for the 2026-2030 period shall be less than the proportional level of funding used to support gas combustion equipment in the 2020-2025 period.

[81] NYSERDA, The Assessment of Energy Efficiency and Electrification Potential in the New York State Residential and Commercial Buildings Report (published April 2023), available at: https://www.nyserda.ny.gov/About/Publications/Evaluation-Reports/Building-Stock-and-Potential-Studies/Assessment-of-Energy-Efficiency-and-Electrification-Potential.

Measures that improve the efficiency of existing combustion equipment will be allowed as Neutral when they are part of a more comprehensive project, for example through the AMEEP comprehensive pathway or EmPower Plus comprehensive track.

5. Pre-Weatherization Improvements

The Commission received numerous comments citing building health and safety issues and structural deficiencies as major obstacles to EE/BE program uptake in the LMI market segment. Commenters submit that many LMI customers are unable to participate in EE/BE programs because their homes and buildings require structural repairs or remediation of hazards like mold and asbestos before EE/BE measures can be completed, but there is no assistance available to complete this repair and remediation work through the EE/BE or any other programs. These comments echo the findings of the Disadvantaged Communities Barriers and Opportunities Report issued in December 2021 as required by the CLCPA, which identified structural deficiencies and health and safety issues as barriers to EE and clean energy access in Disadvantaged Communities.[82]

NYSERDA proposes to classify health and safety measures required for LMI EE/BE program participation as Neutral within the Strategic Framework. HCR supports this proposal, stating that it aligns with HCR's Weatherization Assistance Program and could enable coordinated funding. AEA, ACEEE and KC3 support classifying health and safety measures as Strategic, as do ACE-NY/AEU in cases where these measures are required to pursue electrification. AGREE highlights the importance of funding health and safety measures and submits that funding

[82] NYSERDA, New York State Disadvantaged Communities Barriers and Opportunities Report (issued December 2021), p. 11, available at: https://climate.ny.gov/-/media/Project/Climate/Files/21-35-NY-Disadvantaged-Communities-Barriers-and-Opportunities-Report.pdf.

sources beyond the SBC must be sought to cover this work. Bright Power recommends leveraging other non-energy program funding to address health and safety barriers and deploy EE/BE funding more effectively, citing NYSERDA's Direct Injection program with HCR as an example of how this can be done.

The Commission recognizes the need to address this critical barrier to EE/BE adoption. However, ratepayer funding should not be used to subsidize non-energy home improvements without ample process and information, or compelling justification. As stated elsewhere in this Order, the magnitude of investment in direct EE/BE improvements needed to meet the State's objectives is already greater than ratepayer funding alone can supply. Adding non-energy home repairs to the responsibilities of the EE/BE portfolios would reduce the resources available for direct energy saving and building decarbonization measures. Nonetheless, the Commission appreciates commenters' arguments that health and safety barriers may impinge directly on the success of the 2026-2030 LMI Portfolio, in terms of both the energy savings it can unlock and equitable program access. Therefore, the Commission supports dedicating a limited portion of the 2026-2030 LMI Portfolio budget to pre-weatherization health and safety barrier remediation, with the condition that that funding be used not only to prepare homes for EE/BE improvements, but to gain information about the scope and nature of health and safety barriers more broadly, and to contribute to developing a targeted approach to addressing those barriers in the context of the LMI EE/BE portfolio that coordinates with other programs and funding sources in the areas of housing and energy affordability.

The Commission hereby authorizes up to 10 percent of LMI program budgets to be used for remediation of health and safety barriers to building weatherization. These measures will be allowed, up to the 10 percent cap, and will be available only to LMI customers who have applied to EE/BE programs and have been, or otherwise would be, deferred from receiving services due to health and safety issues or the presence of structural deficiencies. To aid in developing a broader understanding of the scope of these issues and the resources necessary to address them, the Commission directs PAs to track and report the number of EE/BE projects deferred and the reasons for those deferrals, including specific health and safety barriers encountered. PAs must also report on the number, nature, and cost of health and safety measures completed through the LMI EE/BE programs. DPS Staff is directed to include reporting requirements for pre-weatherization investments as part of the performance management framework.[83] After three years of reporting on pre-weatherization investments and project deferral rates, the PAs, in consultation with DPS Staff, shall assess the reported data and propose to the Commission any necessary modifications to the approach to pre-weatherization improvements taken in this Order. In addition, in its role as a public benefit corporation, the Commission expects NYSERDA to actively seek out solutions to fund the measures that most frequently prevent LMI household and affordable multifamily buildings from participating in EE/BE programs. Finally, DPS Staff is expected to coordinate with

[83] Reporting requirements should resemble those instituted for KEDLI and KEDNY's Weatherization Health and Safety program, which is being implemented pursuant to the Commission's August 15, 2024 Order adopting a Joint Proposal and establishing gas rate plans for KEDNY and KEDLI. Notably, as part of that Order, KEDNY/KEDLI are undertaking the weatherization program using shareholder, rather than ratepayer, funding. See Cases 23-G-0225 et al., KEDLI/KEDNY – Gas Rate Cases, Order Approving Terms of Joint Proposal and Establishing Gas Rate Plans, with Minor Modification and Corrections (issued August 15, 2024).

other State agencies on opportunities to leverage publicly funded housing and health programs in the administration of the EE/BE programs.

6. Multifamily Comprehensive Work Scopes

No commenters explicitly supported Con Edison's or National Grid's proposals to classify all LMI multifamily comprehensive work scopes as Strategic. The Commission recognizes the high cost and complexity of comprehensive EE/BE retrofits of LMI multifamily buildings, as well as the significant potential energy affordability, comfort, and emissions reductions benefits of these projects. However, for these projects to be truly Strategic, the Commission must set guardrails to ensure that their component measures are consistent with the Strategic Framework principles of end-use fossil fuel reduction and additionality (i.e., they must contribute energy savings beyond what would be achieved without the incentives in question). For this reason, the Commission determines that LMI multifamily comprehensive work scopes are classified as Strategic as long as lighting measures included in those projects are considered Neutral and comprise only a small portion of the cost of the project, and subject to the determination concerning gas combustion equipment described above. PAs shall include details on the parameters for lighting and gas equipment incentives in the LMI Implementation Plan.

7. Levels of Building Electrification

The Order Directing Proposals stated that "strategic programs should not support part-load applications that simply result in incenting air conditioning."[84] The Commission further stated that PAs should identify their definition for "partial, supplemental, and/or hybrid" applications, subject to the

[84] Order Directing Proposals, p. 39.

guidance that hybrid heating projects should be designed and installed using the heat pump as the primary heat source, and any legacy or new fossil fuel system would be only used for supplemental heating or used for resiliency.

In its LMI proposal, Con Edison states that it plans to offer incentives for "supplemental and hybrid systems that demonstrate energy savings and emission reductions" for LMI multifamily buildings, and to offer higher incentive rates for projects that fully electrify their space heating.[85] Con Edison proposes to take the same approach to domestic hot water electrification, and "to develop an effective approach to incentivize advanced controls for both space and water heating projects that integrate with existing fossil systems such that they prioritize their heat pump systems and extract their full potential benefit."[86] Con Edison does not define "supplemental" or "hybrid" systems in its LMI proposal. In its Non-LMI proposal, however, Con Edison suggests that supplemental and hybrid systems are those with heat pumps and fossil systems that are technically capable of heating the same space. Con Edison further clarifies that, in its view, supplemental systems are a subset of hybrid systems that are designed and operated to prioritize the use of the heat pumps. In its LMI proposal, Con Edison indicates that these systems can be part of a phased approach to electrification for buildings (especially larger buildings with more than 25 units) for which full electrification all at once is not feasible due to technical challenges, logistical challenges related to tenant occupancy, and high cost, including the costs of electrical system upgrades.

[85] Con Edison LMI Proposal, pp. 28-29.

[86] Con Edison LMI Proposal, p. 29.

NYSERDA also proposes to incentivize partial electrification for LMI one- to four-family homes through EmPower Plus, and to classify partial electrification in this context as Strategic.[87] NYSERDA defines partial electrification as an instance in which "part of a building is served by a cold climate heat pump, but the remainder of a building is still served by combustion-based heating equipment."[88] NYSERDA states that, where feasible, the heat pump should serve more than 50 percent of the heating load on an annual average basis, but NYSERDA would also consider situations in which heat pumps serve a room or set of spaces in a home totaling less than 50 percent of the full home heating load. NYSERDA submits that these approaches are warranted to meet the needs of LMI customers in the coldest locations and in older homes, where full electrification with air-source heat pumps may lead to higher heating costs. NYSERDA asserts that these partial solutions should be viewed as a transitional strategy, to be revisited as technologies, markets, and policies continue to evolve. NYSERDA notes the need for more real-world outcomes and analysis in order to develop, in concert with stakeholders and DPS, approaches to transitioning homes in cold climates away from fossil fuels while protecting energy affordability. NYSERDA further states that it "anticipates ongoing improvements to program design as lessons are learned from implementation and evaluations (both in [New York State] and elsewhere)."[89]

[87] NYSERDA notes that its estimates of the benefits of its one-to-four family investments included in its LMI proposal do not take partial load electrification solutions into account, and that it anticipates providing new estimates in an updated operating plan prior to 2026. See NYSERDA LMI Proposal, pp. 26-27.

[88] NYSERDA LMI Proposal, p. 26.

[89] Id.

Commenters generally support Con Edison's and NYSERDA's proposals regarding partial electrification for LMI buildings, with some qualifications.[90] HCR and AEA support Con Edison's proposal to incentivize partial electrification for LMI multifamily buildings. NRDC opposes allowing incentives for partial electrification for market rate customers, but note that such incentives may be appropriate for LMI customers provided that the Commission establish robust guardrails (e.g., subsidies for partial electrification should not be provided to buildings that are able to fully electrify within the 2026-2030 period, and buildings receiving such subsidies should continue to work toward the goal of full electrification through long-term capital planning). Bright Power emphasizes that partial electrification measures could be cost-effective steppingstones toward full electrification in the future, and should be allowed in the context of a phased approach. Bright Power recommends amending NYSERDA's proposal to consider partial electrification Strategic if the electrification measures are displacing less than 50 percent of load, provided that they must maximize the available electric capacity to be considered Strategic. The Pratt Center supports NYSERDA's proposed approach to partial electrification as a way of protecting households from the uncertain affordability impacts of full electrification, but comments that the approach will not be successful without also increasing the available incentives and expanding program eligibility criteria.

With respect to partial and hybrid electrification, the Commission recognizes that different terms of art may be used in different electrification applications. For purposes of

---

[90] Comments regarding partial electrification across market segments are summarized in the Non-LMI EE/BE Order; those highlighted here pertain specifically to the LMI Proposals.

the EE/BE portfolios, the Commission seeks consistency in how PAs and programs communicate electrification programs to the market. The Commission hereby adopts the following definitions with respect to electrification:

- **Full Electrification** - This term refers to the installation of an electric heat pump system that is designed to meet 100 percent of the building's design-day heating load. In these scenarios, an electric heat pump is sized to maintain the indoor temperature required by building codes.
- **Partial Electrification** – This term refers to the installation of an electric heat pump system that does not fully meet the building's design day heating load. In these scenarios, the electric heat pump is not sized to maintain the indoor temperature required by building codes. Partial electrification is also sometimes referred to as Part Load Electrification.
- **Phased Electrification** – This term refers to projects wherein the building electrification process is carried out over time. This staged approach aims to electrify most or all of a building's energy systems while minimizing disruptions to building operations and occupant experience. This may be a multifamily or commercial building where certain units of the building are fully converted to electric heat pumps for space heating (e.g., at the time of tenant turnover), or as part of a phased more comprehensive renovation project. This may also result in instances where full electrification of the building may not be possible due to available electric capacity or limitation related to customer's capital cycles.
- **Hybrid Electrification** - This term refers to a dual fuel heating system with integrated control that includes an electric heat pump that serves a portion of the building's

design day heating load and relies on a fossil system to meet a portion of the load. A hybrid system relies on two separate components with integrated controls designed to operate independently, typically switching a fossil fuel system at some pre-determined lower temperature set point.

The Commission is concerned that partial electrification has a high likelihood of resulting in cooling-only projects that do not meet the intention of reducing fossil fuel combustion, and could unintentionally result in increased energy bills for households. Some Utilities already recognize this issue. For example, in their implementation of the NYS Clean Heat program, Con Edison and Central Hudson are no longer incenting partial load systems.[91] The Commission likewise directs that incentives for partial electrification for the 2026–2030 EE/BE portfolios are prohibited and shall not be funded through EE/BE budgets.

The Commission understands phased electrification approaches are a practical approach to support the decarbonization of larger buildings. However, for single family residences, incentives should only be provided for systems that fully meet the building's design-day heating load, and a phased approach is therefore not practical given the limited budgets available to support EE/BE for LMI households. Therefore, phased electrification approaches shall be allowed, for buildings other than single family residences, where the space heating needs of the portion of the building (e.g., unit or

[91] Limited exceptions to this apply in instances where the partial load system includes integrated controls. Con Edison states in its LMI proposal that it would further limit partial load systems to those that build upon a previous heat pump installation and therefore help a customer achieve full heating load electrification.

apartment) that is being electrified are fully satisfied by design.

The Commission understands hybrid systems may be a practical compromise to full electrification, however these systems by design result in an electrification solution that does not fully meet the building's heating design day load through the electrification equipment. Additionally, hybrid systems often include the installation of a new gas-fired furnace, further locking the customer into gas usage for the useful life of that equipment. For those reasons, incentives for hybrid electrification for the 2026–2030 EE/BE portfolios are prohibited, and shall not be funded through EE/BE budgets.

Regarding small residential projects, the Commission reiterates that EE/BE incentives shall not be provided for electrification that is not sized to meet the full design day heating load of the home. This policy will protect against adding cooling load while not cutting fossil heating use and minimize free-ridership. To be clear, the Commission does not inherently find fault in partial electrification. Rather, the Commission is making these decisions in order to direct the use of limited ratepayer resources judiciously in order to achieve the greatest benefit possible.

For affordable multifamily buildings, the Commission considers phased electrification approaches, as defined above, to be Strategic, and allows incentives for phased electrification projects in these buildings. The Commission recognizes that further clarification about phased electrification is needed to develop clear direction to the contractor market. LMI Program Administrators, in consultation with DPS Staff, should develop guidance on this issue and incorporate it into the LMI Implementation Plan. The guidance should include specific criteria and use cases for when phased electrification projects can be funded through EE/BE programs. This guidance should take into account market and building realities, and should clarify requirements to ensure that heat pump and legacy fossil fuel systems are configured for proper operation and safety during a phased approach. The guidance should include but should not be limited to ensuring there are no risks of threats to human health or the environment from legacy fossil fuel systems remaining.

The Commission finds at this time that "hybrid heat pump systems" are not intended to fully electrify and serve the full heating load, and therefore should not be considered Strategic as part of the EE/BE Strategic Framework, and should not be permitted to be incented through the funding authorized herein.[92] However, the Commission is persuaded that more information is necessary to truly assess where and how hybrid heating may be advantageous to both the customer adopting such a heating system, and to the longer-term vision of decarbonization and broader impacts on gas and electric systems. The Non-LMI EE/BE Order outlines additional direction to DPS Staff to work with PAs to further study "hybrid" heating scenarios. The Commission expects that study will be applicable to the LMI market segment and will inform future electrification strategies for LMI households and affordable multifamily buildings.

Metrics and Targets

To date, the Commission has relied on first-year annual savings targets to drive PA efforts. However, as described below, PAs propose either to supplement an annual target with a corresponding lifetime target, or to shift

[92] NFG's Hybrid Heating Program Proposal remains pending before the Commission. See Case 22-G-0610, Long-Term Gas System Plan – NFG, Hybrid Heating Program Proposal (filed June 28, 2024).

entirely to a lifetime target.[93] ACE-NY/AEU, Bright Power, PULP, AEA, AGREE, and RMI all recommend that the primary EE/BE performance metric used to assess EE/BE program effectiveness should be shifted from first-year annual energy savings to lifetime MMBtu savings. Although in agreement that a shift to a lifetime target is appropriate, NY-GEO suggests that the Commission shift to a metric that prioritizes lifetime kilowatt-hour savings, discontinuing the measurement of energy savings in MMBtu, arguing the State policy is shifting towards electrification.

NRDC recommends that the Commission should establish the Total System Benefit metric for all efficiency and electrification programs in New York to align with and improve upon the valuation and market structure for other Distributed Energy Resources, leveling the playing field for demand-side resources. NRDC also states that a shift to the Total System Benefit metric would ensure that the benefits and costs associated with EE and BE measures are evaluated based on the specific avoided costs within a utility’s service area, promoting a more targeted and effective implementation of energy initiatives. ACE-NY/AEU’s comments also urge NYSERDA to promulgate an emission reduction performance metric.

The proposals and comments include a wide variety of primary and secondary EE/BE performance metrics including bill savings, emission reductions, homes weatherized, homes electrified, fossil fuel systems decommissioned, Total System

[93] DPS Staff defines annual (or First Year) savings as the savings associated with a measure during a full year of installation; while lifetime savings is defined as the savings over the lifetime of an installed measure, based on that measure’s effective useful life. Case 14-M-0094, DPS Staff Data Dictionary and Scorecard Guidance, CE-10 (issued December 16, 2021).

Benefit, energy burden reduction, safety, program activity in Disadvantaged Communities, equity and financial leverage, customer value and satisfaction, first-year and lifetime energy savings and various other market transformation metrics. The wide range in suggested metrics coupled with the broader direction and refinements we have made herein highlight the need for the Commission to consider the intended outcomes of a program to determine the appropriate metric(s) with which to measure performance. While convenient to have one unifying metric against which all PAs are measured, as has been the case in prior program periods, the evolution of our EE/BE portfolios and the differentiations we are making with regard to the roles the utilities and NYSERDA will play require a more nuanced approach. Additionally, imposing rigid individual energy savings metrics on each PA can, and has, resulted in a deterrent to meaningful collaboration, as each PA becomes focused on the attribution of savings in such a way to maximize the savings they are able to claim against their individual target.

While we adopt specific LMMBtu-e targets for each PA, the Commission sets forth a number of additional metrics that should be tracked and reported to allow stakeholders to more fully assess portfolio performance. In particular, we indicate a number of energy and non-energy savings metrics that must be incorporated into reporting requirements applicable to the 2026-2030 EE/BE portfolios. As described in the discussion on Portfolio Administration and Oversight, DPS Staff is directed to develop a performance management framework for the 2026-2030 LMI Portfolio that will include guidance on reporting, including the identification of metrics and KPIs. Given the Commission's interest in creating some consistency regarding key metrics with the Non-LMI portfolio, we will at a minimum establish specific metrics for four categories of programs in this Order: (1)

direct energy savings acquisition, (2) indirect energy savings acquisition (3) workforce development, and (4) market transformation.

1. Direct Energy Savings Acquisition

The utility portfolios are considered direct energy savings acquisition programs, as are certain NYSERDA programs. The primary purpose of direct resource acquisition programs is to acquire measurable energy savings, and therefore the Commission will adopt an energy savings metric against which to track performance of these types of programs. Given our Strategic Framework's emphasis on durable and permanent reductions to energy consumption, fossil fuel use, and emissions, we find that shifting to a lifetime savings metric is warranted for those programs targeting acquisition of direct energy savings. There is an obvious alignment between New York's long-term clean energy policies and climate goals and the primary metric of lifetime savings, which accounts for the entirety of the energy savings as opposed to the savings occurring only in the first year the measure is in place. Additionally, expressing this metric in terms of LMMBtu-e savings for both gas and electric portfolios will allow the PAs to coordinate better offerings that target deep savings, regardless of fuel type, while also providing a single primary metric upon which to assess performance across the electric and gas portfolios. Annual savings shall still be tracked and reported. Additionally, given the importance of the benefits EE/BE programs can provide to the future build out of the electric grid or supply-constrained areas of the natural gas system, electric and gas demand reductions during peak periods shall also be tracked and reported (e.g., kilowatt reduction and peak dekatherm reduction).

2. Indirect Energy Savings Acquisition Programs

NYSERDA's LMI portfolio includes technical assistance offerings and, while these programs may acquire direct energy savings, and those shall be reported, the primary purpose of them is to influence the market or consumers in ways that will produce more substantial indirect benefits over a longer period. Therefore, for programs with the intent to achieve additional indirect energy savings, the Commission adopts LMMBtu-equivalent (LMMBtu-e) as a metric. However, because these indirect LMMBtu-e savings will require longitudinal studies to assess their impacts, it cannot be the sole metric by which the success of these types of programs are measured. As such, these programs will also utilize market transformation progress metrics, as described further below.

3. Workforce Development Programs

NYSERDA's EE/BE portfolios include workforce development efforts, which are crucial to ensure the appropriate size and expertise of the State's clean energy workforce. For workforce development programs, the Commission will therefore adopt metrics to capture the number of people trained, upskilled and placed in jobs.

4. Market Transformation Programs

While we expect that the LMI programs will primarily focus on direct energy savings acquisition during the funding authorization period, there may be aspects of the 2026-2030 LMI Portfolio, such as the Disadvantaged Community engagement efforts, that include market transformation as an objective. For these cases, we find the common metrics framework put forth by NYSERDA is a structured way to organize and track various market transformation activities. In this framework, various metrics can be used to track progress across the three stages of market adoption - engagement, adoption, and ownership. These metrics, dependent upon the particular program, may include, but not be limited to, number of participants, increased awareness, number of resources/tools disseminated, technology adoption and transfer, conversion rates, and compliance rates.

5. Additional Metrics Guidance

The Commission will, for all program categories, adopt a threshold that will ensure an appropriate balance between the money spent on backend program implementation, including labor, administration, Evaluation, Measurement and Verification (EM&V), and other overhead costs versus the money provided directly to support customers or installation contractors in implementing an EE/BE project (money-out-the-door, or MOTD). An analysis of PA spending averaged over the 2021–2023 period, as documented in Appendix H, reveals that there is variability currently being experienced with regard to a MOTD metric, ranging from a high of 83 percent to a low of 69 percent when looking across a PAs respective EE/BE portfolio.[94] For the 2026-2030 period, all PAs are expected to take steps to maximize MOTD. For those currently operating at or above 80 percent, they should not backslide on this metric. For those currently operating below 80 percent, they are instructed to improve this metric over the course of the 2026–2030 period with a minimum target of 80 percent. Given the complexities of defining and reporting such a metric, the Commission directs DPS Staff, in consultation with the PAs, to adopt a more granular definition of the MOTD metric and ensure planning and reporting is modified, as needed, to appropriately capture progress towards achieving this target.

To ensure that PAs are spending the 2026-2030 EE/BE funding in accordance with Commission priorities described herein, the Commission directs DPS Staff to ensure that tracking

[94] This analysis considered EE/BE expenditures across electric, gas, LMI, and Non-LMI programs, inclusive of labor.

and reporting is established as part of the performance management framework so that budgets and savings targets may be monitored at the sub-portfolio levels, e.g., EmPower Plus, AMEEP, Workforce Development, and other EE/BE initiatives. For consistency and transparency in reporting, the Commission will assume a simple annualized pro-ration of the cumulative budget and target metrics, for purposes of measuring ongoing progress within the program period. For this purpose, utility budgets and targets have been annualized over a five-year period; NYSERDA's budgets and targets have been annualized over a seven-year period. While NYSERDA's proposal reflects expenditures and associated benefits that are reported through 2034, a full four years after the close of the program period, a greater emphasis must be placed on putting the money to work sooner. Therefore, NYSERDA should adjust programmatic approaches such that program funds will be spent and benefits achieved by the end of 2032.[95] Particularly in the early years of the 2026-2030 EE/BE portfolios, the Commission acknowledges that there is likely to be a ramp up in performance over time such that PAs may appear to fall short of the authorized budgets and targets on an annual basis. However, distributing the cumulative budgets and targets equally across the five-year period for utilities, and seven-year period for NYSERDA, will enable stakeholders to compare PA performance on a consistent basis and will avoid the Commission imposing a target that assumes a certain distribution across the

[95] The Commission recognizes that some relatively limited expenditures may lag beyond 2032 including those associated with EM&V activities, Administration and some multifamily projects for which milestone completions are required prior to final payments being issued. NYSERDA should reflect the timing of these limited post-2032 expenditures in the LMI Implementation Plan. In all instances, expenditures should be completed by the end of 2034.

program years that is unlikely to reflect reality and thus, conveys a false sense of precision.

Finally, as outlined in the Portfolio Administration and Oversight section, additional metrics and indicators may be required to track and manage the performance of the LMI programs. DPS Staff is directed to engage with PAs and stakeholders to develop this performance management framework, and file it as part of a reporting guidance document within 60 days of this Order, as discussed above.

Flexibility

As the overall EE/BE portfolios shift to align with the requirements of this Order and the Non-LMI EE/BE Order, the Commission recognizes a need for explicit rules regarding flexibility. Specifically, the flexibility rules must balance the need for PAs to maintain a focus on the Commission priorities of weatherization and building electrification, adjust to market conditions, and manage longer term commitments while ensuring that the authorized funding is managed in such a way that a PA does not exhaust their cumulative budget for the five-year period prior to December 31, 2030.

The PA proposals and subsequent public comments received raise several approaches to flexibility for Commission consideration. Con Edison proposes that PAs should be permitted to spend up to 30 percent of the following year’s budget in the current year, but also propose that the energy savings achievement enabled by expenditures from funds brought forward would be applied to the following year’s achievement. In other words, savings would be claimed in the year in which the funds originally existed. Con Edison states that this approach maintains the annual targets and budget framework prescribed in the Order Directing Proposals, and the 30 percent cap eliminates the risk that all funding from outer years is drawn forward, potentially causing an insufficient 2029 or 2030 program budget. Con Edison also proposes a second mechanism that allows dual- (natural gas and electric) or triple- (natural gas, electric, and steam) commodity PAs to shift funds between commodity-specific budgets to respond to changing market dynamics. To control bill impacts, it is proposed that this mechanism would allow the commodity with the smaller budget to grow or shrink by up to 50 percent each as a result of these transfers. Finally, Con Edison proposes that budgets continue to be set on a commodity portfolio basis and not subdivided into separate budgets for each program activity (e.g., incentives, implementation, EM&V, etc.).

National Grid proposes a rule that would allow them to shift up to 20 percent of annual portfolio budgets, but not targets, without Commission approval for each budget shift, and the 20 percent would be measured by the year into which funds will be moved. The companies state that these shifts are to be reported in the System Energy Efficiency Plan filing after the shift is finalized.

NYSERDA proposes a process whereby any over/under spend above 25 percent of the annual programmatic or budget category (per operating plan) would trigger an internal review at NYSERDA and discussion with DPS Staff. NYSERDA also proposes to include a process whereby any over/under spend above 25 percent of the cumulative portfolio-level (per spending plan) would trigger an internal review at NYSERDA and discussions with DPS Staff. Any adjustments or corrective actions would be agreed upon with DPS Staff and included in a revised Operating Plan. NYSERDA proposes the need for flexibility to adjust to market pace and needs. NYSERDA also proposes a biennial review of cumulative spending versus planned, with 25 percent variation triggering review.

ACEEE, ACE-NY/AEU, Bright Power, BDC, AGREE, Multiple Intervenors (MI), NRDC, the City, PULP and Sealed Inc. all agree that the PAs should be allowed some flexibility with their EE/BE budgets. ACEEE, ACE-NY/AEU, Bright Power and Sealed Inc. also recommend that the PAs be allowed the flexibility to use funds designated for 2026 and beyond now to help ramp up strategic programs before 2026. MI comments that PAs should not be permitted to exceed total program budgets and that while limited flexibility can be provided with certain guidelines, such as shifting spending between years and/or programs, they also add that there needs to be a system of checks in place. A system of checks would help ensure that such spending shifts are indeed limited so as to not alter materially the allocations that were approved by the Commission (at least without further approval) and protect customers against overspending that leads to a perceived need for increased collections.

The PA proposals and stakeholder comments vary regarding how and whether to shift EE/BE energy savings targets to correspond with the budget movements. Some stakeholders propose that the EE/BE energy savings targets stay in the year in which the budget was originally allocated, others propose that the EE/BE energy savings targets move with the money pulled from a future year, while others did not address flexibility related to target shifts at all.

In consideration of the PA proposals and stakeholders' comments, and as discussed more fully elsewhere in this Order, the Commission has restructured the EE/BE portfolios in a manner different from that upon which Utilities based their flexibility proposals and stakeholders informed their comments. These modifications are purposeful to ensure funding is allocated to the priorities the Commission has determined for the 2026–2030 program period. Therefore, flexibility that negates these actions would be counterproductive. Nonetheless, the record before us provides valuable insights into balancing the need to hold the PAs accountable for their portfolio management while not imposing rigidity that would prevent PAs from reasonably reacting to market conditions. We also find the need to ensure that any shift in program budgets occur without disruption to the marketplace, as transparency on program rules and incentive levels is important to customers, contractors, and developers.

1. Flexibility Across Electric and Gas

Over the course of this interim review process, the Commission has explored whether, in the absence of a fuel neutral portfolio approach, PAs should have the flexibility to shift funds collected from gas customers to supplement electric EE/BE programs or vice versa. While the Commission is allowing some degree of flexibility for PAs to approach certain types of projects in a more holistic manner regardless of funding source, it is not appropriate at this time to allow PAs to reallocate funds collected from gas ratepayers to fund EE programs for electric customers; or funds collected from electric customers to fund gas programs. For now, the Commission cannot justify moving away from its long-held position that programs should result in direct benefits to the applicable distribution system and those ratepayers from whom the funding is collected. Therefore, the Commission will impose a prohibition on funding and target shifts between the gas and electric portfolios.

2. Flexibility Across Sub-Portfolios

In this Order, the Commission provides guidance for the allocation of LMI budgets for the electric and gas utilities based on its priorities (i.e., one- to four-family, affordable multifamily, etc.). This new sub-portfolio model warrants a more conservative approach to flexibility than the Commission has adopted in the past. If funding shifts are pursued, in no instance may a shift between sub-portfolios result in a decrease to a utility's cumulative target totals at the full portfolio-level. This restriction is necessary to ensure that the budgets and targets authorized herein are maintained throughout the program period and may be considered to represent the appropriate commitment to the weatherization efforts that are central to align with the State's clean energy goals.

In this Order, the Commission adopts budgets for NYSERDA associated with the roles it has been assigned. Similarly, the allocation of resources within NYSERDA's LMI portfolio represents the Commission's statement of priorities. Therefore, budget shifts between the various NYSERDA roles (i.e., LMI program implementation in one-to four family and affordable multifamily market segments, Technical Services, General Awareness & Education, and Workforce Development) shall be prohibited.

3. Flexibility Across Years

While the authorizations are cumulative, the Commission is adamant that PAs manage programs in a manner that ensures program offerings are available through December 31, 2030. Therefore, it is appropriate to adopt guidelines for annual spending to encourage active management of program spending to guard against a PA running out of funding prior to the end of 2030. Specifically, in any calendar year for 2026-2029, PAs should ensure a sub-portfolio's annual spending does not exceed 120 percent of the cumulative sub-portfolio budget less spending to date, divided by the number of years remaining in the period.[96] For 2030, the final year in the 2026-2030 period, the expenditures should equal the total cumulative budget less spending to date and any remaining encumbrances to

[96] Calculated as: 1.20*((Cumulative total-Expenditures to date)/Number of years remaining in the period).

projects that were eligible through the program period. In addition, the Commission will adopt a minimum budget allocation for 2030 such that, in a given year, PAs must reserve at least 80 percent of the calculated annual average budget to ensure sufficient funding is available to support EE/BE projects in 2030. In tandem, these spending rules allow PAs the flexibility to ramp spending up and down across years, depending on market conditions, while also ensuring that the EE/BE work will continue through December 31, 2030. These guidelines should be incorporated into NYSERDA, Con Edison, KEDNY, And KEDLI's program planning as represented in the LMI Implementation Plan. To the extent PAs believe a given sub-portfolio cannot adhere to these guidelines, the PA is directed to consult with DPS Staff to seek approval for an alternative approach that ensures the availability of funds throughout the program period.

Further, within the current utility programs, we have found that a strict adherence to an annual expenditure-based budget can cause unintended consequences to program participants. Specifically, building owners may be reluctant to submit projects and utility PAs may be reluctant to accept projects if the project is unable to be completed in time for expenditures to occur within the calendar year. Therefore, for the current utility programs, the Commission will allow projects to be submitted up through and until December 31, 2025, subject to budget availability, for which expenditures will occur in the following calendar year. The evolution of the Utilities' program offerings will undoubtedly result in longer project life cycles, therefore we shall apply the same principle for the 2026–2030 period, for the utilities to consider within the context of their active budget management. Specifically, utilities will be allowed to expend funds through 2032 for projects that were accepted during the active program period, 2026 through 2030.[97] For transparency, this can be expressed within regular reporting by use of encumbered funds and committed energy savings. DPS Staff is directed to update its guidance documents as necessary to reflect these changes.

Cost Recovery

1. Utility-Administered Portfolios Cost Recovery

The Order Directing Proposals directed the PAs to submit proposals regarding the cost recovery methods to fund expenditures associated with their electric and gas EE/BE portfolios. The Commission noted in the Order Directing Proposals that the implementation of CLCPA requires a more discrete level of reporting and transparency that would be better supported by recovering costs related to EE/BE expenditures through a surcharge mechanism.[98] Currently, all of the Utilities, with the exception of NFG, have some level of EE/BE cost recovery embedded within delivery rates in accordance with their respective rate plans. The previous approach of authorizing EE/BE portfolio budgets separate from approving the associated cost recovery has resulted in varying cost recovery approaches across the Utilities. Since 2019, when the NE:NY budget period began, the different EE/BE cost recovery approaches resulting from individually negotiated rate plans include: (1) fully collecting EE/BE expenditures annually through a surcharge; (2) fully collecting authorized NE:NY

[97] The Commission recognizes that some relatively limited expenditures may lag beyond 2032, including those associated with EM&V activities, Administration, including labor, and some multifamily projects for which milestone completions are required prior to final payments being issued. Utilities should reflect the timing of these limited post-2032 expenditures in the LMI Implementation Plan. In all instances, expenditures should be completed by the end of 2034.

[98] Order Directing Proposals, pp. 93-94.

budgets annually through base rates as Operations and Maintenance (O&M) expenditures; (3) partially collecting authorized NE:NY budgets annually through base rates as O&M expenditures and allowing the utility to defer the difference between what was actually spent above what was reflected in base rates up to the authorized budget levels to a later rate year; (4) partially collecting some portion of NE:NY expenditures through base rates and collecting the remaining amount incurred over the amount included in base rates through a surcharge; (5) amortizing collection of NE:NY expenditures and including in base rates over a 10 year period; and (6) amortizing collection of NE:NY expenditures and including in base rates over a 15-year period.

Con Edison proposes to recover all EE/BE program costs, including all labor costs related to EE/BE portfolio administration, via surcharge; and moderate the customer bill impact by continuing to amortize and recover EE/BE program costs over a 15-year period, which reflects roughly the aggregate useful life of their proposed suites of programs that make up Con Edison’s electric and gas EE/BE portfolios. Con Edison and O&R also note that a move to a surcharge cost recovery approach would provide the State and stakeholders an additional level of transparency by regularly disclosing EE/BE program costs recovered from ratepayers. National Grid opposes recovering EE/BE expenditures solely through a surcharge and prefer to continue to recover EE/BE expenditures through base rates due to the ability to level out customer costs over multi-year rate plans and ultimately mitigate bill impacts. Additionally, National Grid notes the possibility of ratepayer apprehension if a surcharge were to result in a significant increase in a line item on a customer’s bill. However, National Grid proposes that if the Commission authorizes EE/BE budgets that differ from the rate allowances included in base rates, a new surcharge mechanism to recover, or refund, the differences to customers could be implemented.

ACE-NY/AEU, Sealed Inc., and NY-GEO comment that it is beneficial to adopt a consistent cost recovery method across all PAs to create uniformity. Furthermore, a standardized cost recovery methodology would foster consistency needed to analyze impacts of EE/BE decisions. ACE-NY/AEU and Sealed Inc. opine that cost recovery should be based on the EULs of the measures incentivized and that it is critical the increased EE/BE expenditures don't create near term pressures on ratepayers. PULP does not suggest that cost recovery should be based on the EUL of measures incentivized but does comment that all avenues should be explored to limit the burden on ratepayers. ACEEE expresses concern with using amortization as a method of reducing rate impact since it will create additional costs for the ratepayer due to the carrying charges related to the rate of return for the utility that would be applied to the amortized balances.

MI asserts that EE/BE cost allocations should be based more on demand, as opposed to the current methodology of allocating the majority on energy usage, or load share. MI also opines that gas ratepayers should not be paying for BE measures because BE programs are electric programs, the results of which are increased electricity demand and consumption. MI asserts that there is no cost-based justification for allocating BE program costs to gas customers and if that were to be done it would create implementation issues, especially in regions of the State where customers receive electric and gas service from different utilities. MI further states that while it would be inequitable to require a utility's gas customers to subsidize that utility's BE programs, it would be even more inequitable, if not illegal, to require a utility's gas customers to subsidize a different utility's BE programs. Similarly, MI opines that large, non-residential customers should not be required to pay for BE programs that are targeted at residential or commercial customers.

The Commission concurs with the stakeholder comments endorsing a consistent cost recovery methodology. Furthermore, the reasons for moving to a surcharged cost recovery mechanism, as provided by Con Edison is compelling and complementary to the benefits of doing so identified by the Commission in its Order Directing Proposals. Moreover, the Commission finds that Con Edison's proposal to collect EE/BE related labor costs through a surcharge mechanism is reasonable and consistent with the Commission's goal of providing full transparency of expenditures associated with utility EE/BE activity. An additional benefit of moving EE/BE related labor cost recovery from base rates to a surcharge mechanism is that utilities will only be able to recover EE/BE labor expenditures if such costs have been actually incurred. Under the current cost recovery methodology, EE/BE related labor is included in a utility's revenue requirement as a forecasted O&M expense. If the utility does not hire the employee(s) that were anticipated, the revenue requirement associated with the salary and benefits of the unfilled position(s) is still recovered through the rates established under the rate plan. DPS Staff has found that it is not uncommon for a utility to hire fewer EE/BE employees than were included in their rate plan revenue requirements. The Commission finds that keeping EE/BE expenditures in base rates simply to avoid stakeholder optics of a potentially large surcharge is disingenuous and lacking transparency. Additionally, the justification for keeping recovery of EE/BE costs in base rates to help mitigate bill impacts through amortization is lacking, as bill impacts can also be mitigated through a surcharge.

In response to ACEEE's concerns regarding the increased costs associated with amortization of EE/BE expenditures, recent Commission orders, such as those establishing electric and gas rate plans for O&R[99] and Con Edison,[100] approved the amortization of EE/BE expenditures to help mitigate bill impacts. It is true that allowing a utility to earn a return on the unamortized balances associated with the EE/BE spending in an amortization approach will ultimately result in the utility collecting more, in terms of nominal dollars, over the amortization period than if recovered through an expense-based cost recovery approach (i.e., dollar-for-dollar recovery within the years in which the expenditures are incurred). However, the Commission has long recognized that there are many reasons why collecting money from customers now may not be as desirable as collecting the same amount plus associated carrying charges over time. Essentially, we assume that customers are neutral as to whether costs are expensed or amortized. Amortizing costs over time allows customers to retain their own funds for longer, providing them the ability to earn a return on such funds. Likewise, we do not always immediately return all customer credits, and instead allow customers to earn carrying charges on balances over time. In addition, given the long duration of expected benefits from the EE/BE programs, spreading the costs over the expected lifetime

[99] Cases 24-E-0060 et al., O&R – Electric and Gas Rates, Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 20, 2025).

[100] Cases 24-E-0064 et al., Con Edison – Electric and Gas Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements (issued July 20, 2023).

of the benefits ensures that those who are receiving the benefit are the same customers as those who are paying for them.

With regard to the overall cost recovery mechanism by which the Utilities shall collect the funding to administer their EE/BE programs, the Commission directs each Utility to commence surcharge recovery, as described in more detail below, to become effective January 1, 2026, to recover all EE/BE expenditures related to program activity associated with the 2026-2030 EE/BE budgets authorized in this Order.

a. Transition to Surcharge Recovery

The Utilities, except for KEDLI, KEDNY and NFG, each have an SBC surcharge mechanism in their respective electric and gas tariffs. As noted in the Non-LMI EE/BE Order, NFG has a Conservation Incentive Program Cost Recovery Mechanism. Generally, the SBC and NFG's Conservation Incentive Program Cost Recovery Mechanism are used to recover costs associated with NYSERDA's clean energy programs, including EE/BE.[101] Further, the SBC was previously used to collect costs associated with utility-administered energy efficiency programs as authorized by the Commission for portfolios implemented during the Energy Efficiency Portfolio Standard era and for Energy Efficiency Transition Implementation Plans. While KEDLI and KEDNY no longer have SBC surcharge mechanism tariff provisions, both companies previously had provisions which allowed them to recover costs associated with their respective energy efficiency programs through the SBC. These provisions were removed for the respective tariffs effective January 1, 2016.[102]

[101] The SBC is also used to collect funds or the Integrated Energy Data Resource and energy storage programs.

[102] The tariffs were submitted in compliance with the Commission's Order in Cases 07-M-0548 and 15-M-0252.

Effective January 1, 2026, the Utilities are directed to begin recovering the costs of utility-administered EE/BE programs, as authorized in this Order, via a component of the SBC, or Conservation Incentive Program Cost Recovery Mechanism, as appropriate. The Utilities are to file tariff revisions that enable recovery of utility-administered EE/BE programs, which will go into effect on a temporary basis on January 1, 2026, on not less than 15 days' notice. The tariff revisions are to be developed in consultation with DPS Staff.[103] Given the extensive public notice and opportunity to submit comments, the Commission will waive the requirements of newspaper publication pursuant to PSL §66(12)(b) and Title 16 of the New York Codes, Rules and Regulations (16 NYCRR) §720-8.1, with respect to the tariff amendments directed in this Order.

Since the exact measures and details of the programs to be funded through the EE/BE portfolios beginning in 2026 are not yet determined, and to mitigate interclass cost shifts, the Utilities should develop their surcharges, by service class, using the same allocations as included in base rate recoveries. In addition, the Utilities shall implement the surcharge in a manner that maintains the existing NYPA customer exemptions.

For the Utilities that amortize recoveries of their EE/BE investments as a component of rate base, they are directed to recover the revenue requirement associated with unamortized program costs via the surcharge beginning January 1, 2026.

All Utilities shall track variations between EE/BE program recoveries provided in base rates and program expenditures associated with utility-administered EE/BE programs prior to January 1, 2026. Each of the Utilities should address

[103] The Commission anticipates that the tariff revisions for KEDLI and KEDNY will largely align with the provisions that were in effect prior to January 1, 2016.

the variation, either a regulatory asset or liability, in its next rate case, respectively. Additionally, any deferred balances of EE/BE expenditures that are incurred up to January 1, 2026, shall continue to be deferred and addressed in a subsequent rate proceeding.

The Utilities shall update the surcharge annually on a calendar year basis and reconcile any over- or under collections from the prior year as part of the updated surcharge statement for the upcoming year. On an annual basis, the Utilities shall file an updated surcharge statements, on no less than 15 days' notice, to become effective January 1st of each year.[104]

To assist in a smooth transition from current utility cost recovery practices to the implementation of a surcharge cost recovery mechanism, the Commission directs the Utilities to submit a detailed report in Cases 25-M-0248 and 25-M-0249, within 90 days of the issuance of this Order, identifying and quantifying utility administered EE/BE program costs, including labor, that will be included in base rates beginning January 1, 2026, pursuant to a currently-effective authorized rate plan, as well as the corresponding time period for which the funding amount applies. The EE/BE labor amount reported shall represent the fully loaded labor costs reflected in each Utility's revenue requirement. DPS Staff shall, in coordination with the Utilities, use this information as well as any relevant information included in utility Joint Proposals or information submitted in Case 18-M-0084 to determine the amount of EE/BE funds collected by a utility through its base rates to develop a method (e.g., reduction to EE/BE surcharge recoveries, or

[104] Over- or under-collections are to be forecasted since imbalances will not be known until after the calendar year is over. The forecast is to be based on known actuals.

surcredit), to return such funds to customers as to avoid double recovery and mitigate interclass cost shift.

As utility EE/BE portfolio cost recovery will be administered through the SBC surcharge, or similar mechanism, beginning on January 1, 2026, and to further ensure the consistency and transparency we are striving to achieve, the Commission takes this opportunity to indicate its intention to limit consideration of customer-facing EE/BE efforts undertaken by NYSERDA and the Utilities to the generic EE/BE proceedings rather than within utility rate proceedings or gas utility long-term plans filed in accordance with the Commission's May 2022 Order adopting a gas system planning process.[105] The Utilities should, therefore, refrain from proposing incremental, customer-facing EE/BE pilot programs, demonstrations, and/or supplemental EE/BE initiatives or programs within rate proceedings. Any such proposals shall only be considered within the scope and bounds of the budgets established herein and any program modifications shall be proposed within portfolio Implementation Plan submissions within the appropriate generic EE/BE proceedings going forward.

2. NYSERDA-Administered Portfolio Cost Recovery

Currently, costs associated with NYSERDA's EE/BE programs are collected solely from electric ratepayers as part of the SBC surcharge. The Commission authorized collections for NYSERDA's statewide programs that are allocated to each electric utility on a historical load-share basis, accounting only for the load associated with customers subject to the SBC surcharge. NYSERDA proposes to continue the Bill-As-You-Go funding structure for its LMI EE/BE programs, but stated in its Response

[105] Case 18-M-0084, Case 25-M-0248 (Non-LMI case), and Case 25-M-0249 (LMI case). Case 20-G-0131, Order Adopting Gas System Planning Process (issued May 12, 2022) (May 2022 Order).

to DPS Staff's Supplemental Information Request that should the Commission determine that some split of collections is necessary between electric and gas ratepayers, that ratio should be applied to all budgets and benefits proposed, as well as to the actual budget expenditures and benefits reported.

NYSERDA proposes to split recovery of its LMI EE/BE program budgets 50/50 between electric and gas customers to spread the cost of programs among all who benefit. For reporting purposes, NYSERDA proposes to report total energy benefits (categorized into electricity, natural gas, and other fuel) in direct proportion to the budget split. NYSERDA asserts that costs and benefits for NYSERDA's fuel-neutral delivery should be viewed holistically, including all funding and benefits for individual projects, programs and the portfolio, rather than for a specific budget portion and fuel. NYSERDA further explains that actual data on proportion of total savings over time that is electric, natural gas, or other fuels will be examined to check alignment with collections and determine if any adjustment to the collection split is needed.

Con Edison and O&R propose that NYSERDA LMI EE/BE incentive costs be allocated to utility customers based on EE/BE incentives paid in each utility's service territory. Additionally, Con Edison and O&R state that NYSERDA's LMI EE/BE non-incentive costs should be allocated to each utility based on the percentage of incentive expenditures incurred within each utility's service territory.

The Commission finds, given the composition of the NYSERDA LMI portfolio for the 2026–2030 period, that costs should be allocated between electric and gas customers. The Commission agrees with NYSERDA's proposed 50/50 allocation of the 2026-2030 LMI Portfolio budget between electric and gas, in line with the expected benefits. Further, the Commission agrees with NYSERDA's proposed approach to continue to track the proportional benefits by electric, natural gas, and other fuels to inform any potential future adjustment to the collection schedules between electric and gas utilities.

Subsequent to allocating the NYSERDA LMI budget between electric and gas, the budgets must then be allocated to the electric and gas utilities. The Commission acknowledges Con Edison's and O&R's assertion that the incentive costs should be allocated to utility customers based on the service territories in which they are paid, and that non-incentive costs should be allocated on that same percentage basis. Taking into account the different roles NYSERDA will play, and the different budgets associated with the programs offered in the Upstate region versus the Downstate region, it is appropriate to allocate costs related to the LMI multifamily program to the Upstate utilities only. The collections represented in Appendix G are the result of allocating NYSERDA's LMI multifamily program costs and the pro-rata share of the non-program costs to the Upstate utilities only (on a load-share ratio basis), and the remainder of NYSERDA's LMI portfolio budget on a Statewide load-share ratio basis. Collections will be assessed on a volumetric basis (i.e., in dollars per kilowatt-hour, and dollars per therm). Costs will be allocated to the electric and gas utilities as reflected in Appendix E.[106] All current customer load exemptions shall be maintained.

[106] The updated Megawatt-hour load ratio share is calculated using 2023 sales data (sales to ultimate customers) as filed in the Utilities' 2023 Annual Reports and adjusted to exclude NYPA sales over the same period to maintain current exemptions.

In its CEF Framework Order and CEF Modification Order,[107] the Commission established collection schedules for the four active portfolios of the CEF (Market Development, Innovation & Research, NYGB, and NY-Sun) that took into account remaining collection schedules for legacy NYSERDA portfolios[108] and used uncommitted funds to mitigate incremental ratepayer collections. Since the timing of these Orders, the Commission has taken further actions related to NYSERDA clean energy programs funded through the SBC surcharge. These actions include expanding the NY-Sun program, and authorizing an additional $1.4739 billion in ratepayer collections over the period 2023-2032 towards achieving 10 GW of distributed solar statewide.[109] Despite previous adjustments to collections supporting NYSERDA programs and other actions taken by the Commission to prevent the further build-up of cash balances, the current collection schedules have resulted in a cash balance being held at the Utilities of approximately $1 billion as of December 31, 2024.[110] The Commission has taken actions to ensure that these cash balances are treated in the ratepayers' interest. For example, the CEF Framework Order required that all cash balances held at the utilities accrue interest charges at the "other customer cost of capital," to be segregated on the books of each utility and used for the benefit of ratepayers. The Utilities shall continue this treatment of cash balances held at

[107] Case 14-M-0094, Order Approving Clean Energy Fund Modifications (issued September 9, 2021) (CEF Modification Order).

[108] These portfolios include SBC III, IV, Renewable Portfolio Standard, Energy Efficiency Portfolio Standard 1 & 2.

[109] Case 21-E-0629, supra, Order Expanding NY-Sun Program (issued April 14, 2022).

[110] This figure does not include the 2-month working capital retained at NYSERDA for cash-flow purposes.

the Utilities for the 2026 through 2030 period. Specifically, as directed in the 2020 NE:NY Order, interest earnings accrued on cash balances residing at the utilities associated with collections for NYSERDA-administered programs have been, in some instances, used to offset the increased funding authorized for utility-administered EE/BE programs.[111] Additionally, over the initial CEF period, the Commission leveraged CEF cash balances prior to initiating additional ratepayer collections. For example, the Commission authorized (1) the temporary use of the cash balance, to be repaid, to cover any cash shortfalls associated with the Clean Energy Standard's Renewable Energy Credits and Zero Emission Credits programs; and (2) the use of up to $50 million of CEF cash balances to satisfy Build-Ready Program cash payments until such funds are replenished and restored to the CEF through ongoing Build-Ready site disposition.[112]

While the Commission maintains these have been fiscally responsible approaches based on the record, we find further action is warranted to use these funds for the greatest benefit to customers and to provide immediate bill relief. Therefore, the Commission takes the following actions in establishing the cost recovery approach for NYSERDA's 2026–2030 EE/BE portfolios. First, while we are allowing continued flexibility for cash flow purposes between collections for various NYSERDA portfolios, subject to their respective total budget authorization, we are also disaggregating the CEF collections into their component parts and matching them to the

[111] Case 18-M-0084, Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios Through 2025 (issued January 16, 2020) (NE:NY 2020 Order).

[112] Case 15-E-0302, Large-Scale Renewable Program and a Clean Energy Standard, Order Approving Build-Ready Program (issued October 15, 2020).

most recent expenditure projections. Second, we are adjusting NYSERDA's collections to better utilize the existing cash balance that resulted from prior collections not being matched to projected expenditures, while avoiding extreme volatility in collections. Third, as discussed in the Commission's recent order on the NY-Sun program, which was issued on April 25, 2025, in Case 21-E-0629, the NY-Sun program is projecting a surplus of funding beyond what is necessary to meet the 10 GW goal, of which we will use $145.2 million to offset new ratepayer collections for NYSERDA's LMI EE/BE portfolio.[113] Fourth, we are using $96.2 million of interest earnings associated with the CEF collections at the utilities, as reflected in Appendix F, to offset new ratepayer collections for NYSERDA's LMI EE/BE portfolio.[114] The compilation of these approaches results in the collection schedules we adopt today across both NYSERDA's Non-LMI and LMI EE/BE Portfolios will provide meaningful relief to the State's ratepayers by reducing collections by approximately $340 million in total over the 2025 through 2026 period and offsetting nearly 24 percent of the costs of NYSERDA's 2026 through 2030 EE/BE Portfolios. Appendix G represents the collections in total and by utility for the

[113] The NY-Sun surplus being utilized to offset costs for both the LMI and Non-LMI EE/BE portfolios totals $216.7 million and consists of $64 million being reallocated to legacy funds as well as an additional $152.7 million. This total is being allocated $71.5 million to NYSERDA's Non-LMI EE/BE portfolio and $145.2 million to NYSERDA's LMI EE/BE portfolio, in direct proportion of NYSERDA's Non-LMI and LMI overall portfolio budgets.

[114] The Clean Energy Fund Bill-As-You-Go interest earnings through December 31, 2024, of $141.8 million is being allocated $45.6 million to NYSERDA's Non-LMI EE/BE portfolio and $96.2 million to NYSERDA's LMI EE/BE portfolio, in direct proportion of NYSERDA's Non-LMI and LMI overall portfolio budgets.

NYSERDA suite of programs. The Commission authorizes utilities to recover collections as outlined in Appendix G of this Order. Each utility affected by this Order shall file, on not less than 15 days' notice, revised tariff statements incorporating the revised 2025 collection schedules as detailed in Appendix G, to become effective July 1, 2025. In addition, each utility affected by this Order shall file, on not less than 15 days' notice, revised tariff statements as described in the body of this Order to become effective January 1, 2026, and annually thereafter.

The Commission further directs NYSERDA to, within 60 days of this Order, update the format and content of the CEF Cash Flow Analysis, in consultation with DPS Staff, to incorporate the revisions described in the body of this Order.

On a going forward basis, the Commission finds that there are additional steps that can be taken in the interest of ratepayers. These steps include establishing automatic mechanisms that will allow for further future mitigations to the collections authorized herein. To avoid additional buildup of interest earnings, we direct each of the Utilities to reconcile each year's incremental interest earnings into their calculations of the surcharge for the following calendar year for the NYSERDA EE/BE portfolio. DPS Staff is directed to work with the Utilities to adjust the necessary reporting and tariff modifications to effectuate this. For example, the current Bill-As-You-Go interest earning reports are filed on April 1 of each year, the timing of this filing could/should be adjusted such that the Utilities have the timeliest information for use in the Utilities' annual surcharge statements, which are filed no later than December 15 of each year.

Next, December 31, 2025, represents the end of the period at NYSERDA can encumber funds for its Market Development

Portfolio. At that time, any previously authorized funds not yet encumbered are to become "uncommitted funds" and set aside for future ratepayer benefit. Due to the nature of these programs, it is not uncommon for some level of attrition to occur, either by way of the project no longer being viable or that the encumbered incentive amount may adjust downwards as milestones are completed. In these cases, each year there will be newly "uncommitted funds" that materialize. These funds will be used to offset collections that otherwise would be required from ratepayers. To effectuate this, we will establish a process by which NYSERDA will file, on an annual basis, its Uncommitted Funds Report by June 30 of each year, reflecting data as of March 31 of that year.[115] These funds will then be used by each Utility to further offset the collections associated with NYSERDA's EE/BE portfolio in the subsequent calendar year, reflected as an offset in each utility's surcharge statement filings. DPS Staff is directed to work with NYSERDA and the Utilities to develop appropriate reporting details, including the need for NYSERDA to reflect the uncommitted funds by utility.

As these actions will further reduce collections from what is stated in this Order, it is important to have transparency and visibility to these adjustments. Therefore, we direct DPS Staff to issue a revised EE/BE Collection Schedule compiling all of the data gathered above on an annual basis by the end of the first quarter of each calendar year.

Lastly, the Commission notes that in the CEF Framework Order, the total funding authorized therein was inclusive of $250 million of RGGI funds over the ten-year period. The NYSERDA

---

[115] Currently NYSERDA files its Annual Uncommitted Funds Report on March 31 of each calendar year, representing data as of December 31 of the prior year.

EE/BE Proposal(s) do not include an ongoing commitment of RGGI funds for the period 2026–2030, although the RGGI Operating Plan does include funding for EE/BE activities that complement the work under the proposed EE/BE Proposal(s).[116] It is paramount that we continue to leverage all available resources to defray the proportion of cost of New York's clean energy programs placed upon ratepayers and we recognize the critical support RGGI will continue to provide to reduce ratepayer costs of funding the EE/BE Portfolios. Therefore, we direct DPS Staff to work with NYSERDA to determine if further RGGI contributions can be made following the next annual update to the RGGI Operating Plan and if so, to incorporate this information into its Revised EE/BE Collection Schedule filings, as directed in this Order.

Taking all of the above into account, the Commission-established collection schedules related to NYSERDA's 2026-2030 LMI EE/BE portfolio by utility and by year are represented in Appendix G. NYSERDA is directed to monitor expenditures and additional offsets, and should petition the Commission if it determines that adjustments are needed to mitigate any projected cash shortfall or unnecessary future build-up of ratepayer collections.

Other Matters

1. Technical Resource Manual (TRM)

In line with practices commonly followed in various jurisdictions with robust energy efficiency programs, the Commission has directed the PAs to utilize a TRM as the

[116] 2025 Final Regional Greenhouse Gas Initiative (RGGI) Operating Plan Amendment, approved by the NYSERDA Board of Directors on January 29, 2025, available at: https://www.nyserda.ny.gov/About/Funding/Regional-Greenhouse-Gas-Initiative/Auction-Proceeds.

foundation for estimating energy savings for ratepayer funded programs.[117] The primary purpose of the TRM is to provide a standardized, accurate, fair, and transparent approach for estimating energy and demand savings across New York State's energy efficiency programs. The TRM was initially developed during the Energy Efficiency Portfolio Standard era,[118] and has evolved through multiple updates, with the most recent version effective January 1, 2025.

Since its initial issuance in December 2008, the management and oversight responsibilities of the TRM have also evolved, with greater responsibility for the management and maintenance of the document being assigned to the Utilities and NYSERDA. The Utilities and NYSERDA undertake these responsibilities, as outlined in the TRM Management Plan,[119] through the TRM Management Committee. Staff serves in a monitoring and oversight role and meets regularly with the TRM Management Committee.

The evolution of the EE/BE portfolios in the 2026-2030 period requires an examination of foundational tools, like the TRM, to ensure that they are also evolving to best meet the needs of the new portfolios. For example, given the future portfolio will constitute more complex programs, all PAs will

[117] New York Standard Approach for Estimating Energy Savings from Energy Efficiency Programs - Residential, Multi-Family, and Commercial/Industrial, TRM - Annual revision Version 12 (issued January 1, 2025), available at: https://dps.ny.gov/technical-resource-manual-trm.

[118] Case 07-M-0548, Energy Efficiency Portfolio Standard, Order Approving Multifamily Energy Efficiency Programs with Modifications (issued July 27, 2009).

[119] New York Standard Approach for Estimating Energy Savings from Efficiency Programs Technical Resource Manual Management Plan (issued March 7, 2025), available at: https://dps.ny.gov/technical-resource-manual-trm.

share the need to identify how to best approach custom projects in a credible and administratively streamlined manner.[120] This includes the management and maintenance functions of the TRM to ensure it is serving its intended purpose, but also to prioritize work so that resources of the PAs and DPS Staff are being used most efficiently.

Although there has been substantial progress with the TRM in recent years, the current management structure is proving insufficient. These insufficiencies include: lack of engagement during quarterly final measure review on the part of various members of the TRM Management Committee, resulting in the vast majority of discussions occurring between DPS Staff, the TRM Technical Editor appointed by the TRM Management Committee, and the TRM Management Committee co-chairs; failure of the TRM Management Committee to fully integrate compliance efficiencies into the TRM, even after being instructed to do so by the Commission,;[121] PAs inappropriately "abstaining" from votes on measure revisions; and the failure to update the TRM in response to evolving federal standards and/or state code changes. DPS Staff is actively collaborating with the TRM Management

[120] The TRM includes a description of six categories of "Custom Measures", which include: Category 1 - Unique Measures/Projects, Category 2 - Measures Including Prescriptive Measures Not in the TRM, Category 3 - Measures in TRM but Used in a Different Application/Environment, Category 4 - Whole-Building Analysis. These categories include two Custom Measure Categories related to the NYSERDA Comfort Home Program that include Category 5 - Residential Retrofit Standardized Simulation for Measure Packages, Category 6 - Residential Heat Pump Plus Weatherization Retrofit Standard Simulation For Measure Packages (HP + Retrofit).

[121] Case 15-M-0252, Utility Energy Efficiency Programs, Order Authorizing Utility-Administered Energy Efficiency Portfolio Budgets and Targets for 2019-2020, (issued March 15, 2018), p. 45.

Committee to address these deficiencies; however, further action is needed to resolve these issues on a timely basis.

The Commission expects DPS Staff to play a more direct role in providing oversight to the TRM Management Committee and subsequent workstreams. Currently, DPS Staff does not have the ability to prioritize the quarterly measure submittals being considered, and lacks representation in the TRM Management Committee’s voting process. While DPS Staff’s input is sought during the measure submittal review process, this often occurs only after significant time and resources have been allocated to any given submittal. This is an inefficient process and does not provide the PAs with the necessary guidance or identify the deficiencies DPS Staff believes should be addressed. Going forward, DPS Staff shall work with the TRM Management Committee on the front-end of the review process to determine what measure revision(s), addition(s), correction(s), or removal(s) should be considered and shall have the ability to veto any measure revision(s), addition(s), correction(s), or removal(s) that pass through the TRM Management Committee submittal process for which Staff has remaining concerns. DPS Staff is further directed to assess the current form and function of the TRM Management Committee and to initiate additional adjustments, as necessary, to streamline work and focus on aspects that will be necessary for the 2026-2030 EE/BE portfolios. To effectuate this, DPS Staff is directed to work with the TRM Management Committee to categorize all measures currently in the TRM, and determine which are Strategic, Non-Strategic, and Neutral. No further investment of time and resources should be made on any Non-Strategic measures. The Utilities and NYSERDA are directed to update the TRM Management Plan, in consultation with DPS Staff within 90 days of this Order. DPS Staff is authorized to utilize the support of external contractor resources to support this work in order to retain specialized expertise.

2. Data

In the Order Directing Proposals, the Commission stated:

> [i]n this collaborative model, whereby NYSERDA and the Utilities have differentiated roles but are working in tandem towards the achievement of the policy objectives, as opposed to siloed independent approaches, it is necessary that all Program Administrators have access to timely and relevant information that allows for the ability to assess the performance of their program approaches and make well-informed modifications, as needed. Appropriate access to customer and project-level data will better enable the assessment of progress toward program and policy goals that NYSERDA has been mandated to perform, including conducting potential, baseline, and market- characterization studies, as well as other NYSERDA-funded evaluation and measurement activities that aim to better understand the total impacts of such programs. Further, as noted by Con Edison/O&R, NYSERDA can support coordination via early engagement and information sharing with the Utilities on the projects for which it is providing technical support. This information sharing is proposed to include a structured, recurring process by which NYSERDA can communicate these project leads to utilities and utilities can incorporate these leads into their project pipelines and planning.[122]

The Commission then went on to direct all PAs to adopt:

> consistent and intentional customer consent language for the inclusion of the information and data necessary to support NYSERDA's market development initiatives and other EM&V related to

[122] Order Directing Proposals, pp. 70-71.

> NYSERDA's responsibilities. This includes, but is not limited to, customer consent language that fully encompasses the ability to use customer and project data to assess the effectiveness of the full suite of ratepayer supported programs, regardless of Program Administrator.[123]

While some progress has been made on these fronts, limitations still exist, leading to protracted discussions between and among the PAs, often without reaching a satisfactory resolution. This should not continue as it undermines the directives put forth and does not advance the work the Commission has assigned to the PAs. This represents an inefficient use of resources, including but not limited to aggregate utility and NYSERDA personnel time, which is ultimately at the expense of ratepayers. Therefore, the Commission expects that the Utilities and NYSERDA will take the appropriate steps necessary for the requisite sharing of data to enable the EE/BE portfolios as described herein. The Commission notes that proper consent language, as previously required by the Commission, shall be sufficient to address data sharing for customers participating in EE/BE programs. Necessary data exchanges related to non-participant data shall follow the process established in the 2019 NYSERDA Data Order and be allowed for instances necessary to administer the EE/BE portfolio, authorized herein.[124] In particular, to provide the necessary insights to support the development of Commission policy and programmatic strategies for addressing the needs of LMI customers, it will be important for the Utilities to share available information on customers participating in all

[123] Order Directing Proposals, pp. 71-72.

[124] Case 14-M-0094, Order Regarding New York State Energy Research and Development Authority Data Access and Legacy Reporting (issued January 17, 2019) (2019 NYSERDA Data Order).

ratepayer-supported income-eligible programs, including for participants within Energy Affordability Programs.

Pursuant to the 2019 NYSERDA Data Order, NYSERDA and the Utilities entered into a Memorandum of Understanding (MOU) that contains the terms needed to govern the transfer of data to NYSERDA and its contractors, and the maintenance of data by NYSERDA and its contractors, which applies to both participant and non-participant usage data. The initial term of the MOU was three years, at which point NYSERDA and the utilities, in consultation with Staff were instructed to review the MOU, make any necessary adjustments, and execute the MOU, as revised if needed. However, as of the date of this Order, a revised MOU has not been executed.

Since the time the original MOU between NYSERDA and the utilities was entered, the Commission has issued two orders relevant to data sharing requirements: the Cybersecurity Order[125] and the Data Access Framework Order.[126] As part of its Cybersecurity Order, the Commission established minimum cybersecurity and data privacy requirements for entities that receive data from, or exchange customer data with the utilities on an electronic basis other than email. These requirements were included in the standardized Statewide Data Security Agreement that the Commission required to be signed by all entities seeking to electronically exchange customer information with the utilities. The Commission affirmed this requirement would apply to State entities but also recognized there may be instances where the Data Security Agreement provisions may

[125] Case 18-M-0376, Cyber Security Protocols and Protections in the Energy Market Place, Order Establishing Minimum Cybersecurity and Privacy Protections and Making Further Findings (issued October 17, 2019) (Cybersecurity Order).

[126] See Data Access Framework Order.

conflict with Federal, State, and local laws, tariffs, rules, and regulations, and therefore, could potentially require modification to the cybersecurity provisions of the Data Security Agreement.[127]

As part of the Data Access Framework Order issued in 2021, the Commission adopted its Data Access Framework to serve as a single source for statewide data access requirements and provide uniform and consistent guidance on what is needed for access to energy-related data, including the availability of such data. All Energy Service Entities, including NYSERDA, seeking access to energy-related data from a data custodian are subject to the Data Access Framework.[128] As part of the Data Access Framework Order, the Commission defined specific access conditions (purpose, mechanism, and data type) that outline the pathways for data access, assure that the correct requirements are in place, and give due consideration of customer consent. Additionally, all existing data access requirements were incorporated into the Data Access Framework, including the requirement to use the Statewide Data Security Agreement. In determining a valid purpose for accessing data, the Data Access Framework first recognizes customer consent as a valid purpose.

[127] As a result, two State entity specific Data Security Agreements were filed in Case 18-M-0376 by the Office of General Services – State University of New York on July 13, 2020, and NYPA on August 21, 2020. NYSERDA was identified as already having entered into an MOU that included necessary requirements for sharing of data and was therefore not required to sign a Data Security Agreement at that time.

[128] This includes any entity (including, but not limited to, Energy Service Companies, distributed energy resources, and Community Choice Aggregation Administrators) seeking access to energy related data from the data custodian, for the purposes defined under the access requirements. This does not include entities, such as utility contractors, who are performing a service for the utilities.

With respect to data which the customer has not consented to being disclosed, disclosure pursuant to a Commission order is also defined as a valid purpose. Based on the foregoing, NYSERDA data requests are considered valid where the data relates to participants in EE/BE programs, and the customer has therefore consented to NYSERDA receiving such data. As to unconsented data, NYSERDA data requests are similarly valid if disclosure of such data to NYSERDA is pursuant to a Commission order. The Commission finds the existing process, established in the 2019 NYSERDA Data Order, for NYSERDA to request unconsented customer data is sufficient and should continue to be utilized for requests for such data as required for NYSERDA to carry out the Commission's directives in this or other orders.

As there is now a clear framework established for sharing of both consented and unconsented data, the Commission finds that NYSERDA and the Utilities' efforts to attempt to modify the MOU for consistency with current Commission direction is unnecessary and, in fact, would continue to lead to delays in the ability for the required data to be shared. There are no other existing agreements that are as restrictive with regard to specific use case information or expiration dates. Instead, the Commission finds that the Utilities and NYSERDA should use the Statewide Data Security Agreement for this valid sharing of customer data to support consistency with other Energy Service Entities, including other State entities, currently receiving customer data.[129] This will ensure the Commission-directed data sharing is able to resume and continue without having to repeatedly negotiate new agreements every time the Commission

[129] See Cybersecurity Order.

has directed data sharing for new programs or when a defined time period has expired.

Since the Statewide Data Security Agreement is an existing agreement that already includes the necessary terms under the Data Access Framework to support data sharing, there should be no reason why this agreement cannot be signed by both parties within 30 days. Therefore, each of the Utilities and NYSERDA are directed to execute the Statewide Data Security Agreement within 30 days of this Order, and file such executed agreements in Case 18-M-0376. While the Commission finds that the Statewide Data Security Agreement should meet NYSERDA's needs, in the event that NYSERDA believes modifications are necessary due to conflicts with Federal, State, and local laws, tariffs, rules, and regulations, NYSERDA must work with the Utilities to execute and file, in Case 18-M-0376, a modified Data Security Agreement within 30 days, provided that such modified Data Security Agreement should not include major modification and should be as consistent as possible with the Statewide Data Security Agreement filed within Case 18-M-0376. This will establish the most appropriate and expeditious process to reach resolution and ensure data sharing related to ratepayer funded programs can begin, or continue, without further delay.

3. Planning and Reporting Procedures

In addition to our directive to DPS Staff to develop a performance management framework to outline the reporting and management that will be necessary to ensure that the LMI programs achieve our objectives, the Commission also finds the current suite of EE/BE administrative procedures and filing requirements to be unduly cumbersome and difficult to manage. The PA filings include redundant, overlapping, and sometimes contradictory portfolio and program information, which obscure the transparency the Commission seeks. Throughout the various iterations of the EE and now EE/BE portfolios, the Commission has adopted modifications to the administrative processes and implementation rules and requirements intended to improve transparency and strengthen the feedback loops that support continuous improvement of the EE/BE portfolio. With this upcoming iteration of the EE/BE portfolios, it is an appropriate time to initiate a comprehensive review of the administrative procedures and reporting requirements currently in place, followed by an effort to reorganize and/or consolidate filings and reassess the need for, and usefulness of, the information contained in those filings. The goal of such an effort is to develop procedures and filing requirements that balance the paramount need for proper oversight of and insight into the 2026-2030 EE/BE portfolios with the efforts of program administrators to compile the filings and of DPS Staff and stakeholders to review and assess program design and performance data. Therefore, the Commission directs DPS Staff to engage in a full accounting of existing procedures and filing requirements with a focus on streamlining the administrative processes and documentation requirements associated with the EE/BE portfolios.

To facilitate a holistic effort to improve accessibility to, and ensure usefulness of, the qualitative and quantitative information necessary to fulfill the needs of the various interested stakeholders across LMI and non-LMI portfolios, the Commission directs DPS Staff to conduct a review of the current EE/BE reporting, planning and tracking requirements and processes to determine which, if any, meet the needs of the 2026–2030 EE/BE portfolios. This review shall include, but not be limited to, the quarterly scorecards, utilities' System Energy Efficiency Plans, NYSERDA's Comprehensive Investment Plans, Verified Gross Savings Specifications, Annual Reports, and the Clean Energy Dashboard.

In conducting this review, DPS Staff shall procure outside expertise to obtain services that will: (1) provide specific recommendations for DPS Staff consideration to streamline the administrative processes and documentation requirements associated with the State's EE/BE portfolio; and (2) facilitate adoption of a technological solution that will support more efficient information management. DPS Staff should prioritize the usefulness and usability of the planning, performance, and evaluation efforts, and ensure that the final recommendations from the contractor(s) also set forth a process or processes whereby lessons learned, best practices, and program insights are efficiently and reliably incorporated into DPS Staff guidance, program and portfolio planning, and the Technical Resource Manual. To aid DPS Staff in its efforts, the Commission sets forth the following reporting principles:

- Quarterly metrics reporting, also referred to as EE/BE Scorecards, will act as the definitive source of performance data.
- The filing schedule for the various required reports and filings should minimize the need for ongoing corrections to reported data while also ensuring that information regarding portfolio performance, planning, and analysis is done within a timely manner.
- Filing requirements must be suited to purpose. The intended purpose of each filing must be considered and used to inform the metrics and narrative components of the EE/BE filings. Further, the scale, scope, and complexity of the information contained within the filings should strike an appropriate balance between collecting all possible information and the information necessary to support regulatory oversight, provide transparency for

stakeholders, and ensure program administrator accountability.

- Any planning documents should demonstrate how the PA intends to achieve the cumulative Commission authorized budgets and targets.

Following completion of these efforts to streamline the exchange of programmatic EE/BE information, the Commission directs DPS Staff to update any relevant guidance documents, as needed, to reflect its findings.

The Commission understands this effort will take some time and does not expect that a new data management system will be in place prior to the launch of the 2026-2030 portfolios. Therefore, the Commission directs DPS Staff to develop and adopt temporary reporting protocols and procedures within DPS Staff guidance, no later than December 1, 2025, to the 2026–2030 EE/BE portfolios. All reporting requirements for the existing programs,[130] shall continue as is, until all funding for these portfolios has been expended, and/or reporting guidance is updated.

4. Evaluation, Measurement & Verification (EM&V)

As the Commission look towards the 2026–2030 program period, it once again must ensure that our approach to EM&V evolves to meet the needs of the changing portfolios. A key tenant of our approach to EM&V is that evaluations must produce information that is used and useful. Findings and recommendations should be helpful at the PA level, and in the case of utility programs, at the utility service territory level. However, it is equally important to ensure a consistent approach is taken that allows for comparative analyses across

[130] Existing programs refers to Utilities EE/BE programs operated under NE:NY and NYSERDA’s Market Development Program operated under the Clean Energy Fund.

the various PAs, either at a Statewide or Upstate/Downstate level. The Statewide and regional components of the EM&V studies must be designed to, among other things, assess the common program design and implementation model, as well as determine and address programmatic differences across the PAs that may be influencing program performance.

The Commission's approach in the 2020-2025 period was one that provided great flexibility to the PAs in planning and executing their EM&V activities. As a result, and as noted in the Staff EE/BE Report, "some Program Administrators have directed more attention to the savings verification process and resultant realization rates than others."[131] Therefore, it is apparent that the Commission must provide further structure and guidance in order to achieve a more consistent EM&V approach across PAs. Additionally, ensuring evaluations are focused on creating timely and useful information that can improve services to customers, and inform decision makers and interested stakeholders on lessons learned and best practices, PAs are directed to consult with DPS Staff in the development of the 2026–2030 program period EM&V activities, including but not limited to, impact and process evaluations, attribution studies, and market assessments. PAs should take a broad view of their evaluation approach across the entirety of their portfolio and as such, appropriately plan and coordinate EM&V activities with and amongst PAs for the next iteration of strategic programming. DPS Staff shall update necessary guidance documents, including but not limited to CE-08 Gross Savings Verification Guidance, as needed.

[131] Staff EE/BE Report, p. 17.

5. Marketplaces and Other Interventions

In the Order Directing Proposals, the Commission stated that there is insufficient value in continuing to support the current marketplaces given the prevalence of residential lighting as the primary measure and the federal standard changes that were in place. However, the Commission noted that NYSERDA's pilot marketplace, tailored to LMI customers and including financing, was an interesting alternative that may provide additional value. Commenters including Uplight, Enervee, and Renew Home LLC oppose the Commission's recommendation to discontinue funding for online marketplaces. While proposals for an LMI-focused marketplace were not submitted by PAs, O&R submitted a Non-LMI proposal to fund a marketplace. Uplight supports O&R's proposal to continue dedicating EE/BE funding to its marketplace and recommending that other utilities re-launch their marketplaces using O&R's as a model; likewise, Uplight comments that NYSEG/RG&E's marketplace proposal can be updated to become more "strategic." Enervee supports continued funding for the NYSERDA-administered NY Statewide Marketplace through both the LMI and Non-LMI portfolios, particularly highlighting the value of the financing option available through the marketplace.

The Commission finds that the PA marketplaces as currently implemented are not aligned with the Strategic Framework adopted herein. An exploration of the existing marketplaces finds a majority of the measures sold through the marketplace fall into the Non-Strategic category of the Strategic Framework and the associated savings rely on the assumption that customers are properly installing the measures within a New York service territory. However, the Commission is interested in innovative approaches that can help to effectively reach LMI households that have been traditionally difficult to reach, such as renters. As the 2026-2030 LMI Portfolio is developed and implemented over the next five years, PAs should consider whether online marketplaces or other interventions can complement the programmatic approaches approved herein. PAs should consult with DPS Staff on any new approaches to serve LMI households, during the development of Implementation Plans and in the future.

6. Transition to Post-2025

For administrative ease and to provide a clear distinction between the current LMI programs through 2025 and the 2026-2030 LMI Portfolio, all future filings associated with the implementation and performance of the 2026-2030 LMI Portfolios described herein, shall be filed in Case 25-M-0249. The following table provides the EE/BE related matters by topic area that will be used on a going forward basis.

Case/Matter Number	**Proceeding**	**Topic**
14-M-0094	Proceeding on Motion of the Commission to Consider a Clean Energy Fund	NYSERDA CEF Portfolio (2016-2025)
18-M-0084	In the Matter of a Comprehensive Energy Efficiency Initiative	Utility NE:NY (2016-2025) EE/BE Portfolios
25-M-0248	In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios	2026-2030 Non-LMI Portfolio
25-M-0249	In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio	2026-2030 LMI Portfolio
16-02180	In the Matter of Clean Energy EM&V	EE/BE EM&V

15-01319	In the Matter of the New York State Technical Resource Manual	Technical Resource Manual

7. Earning Adjustment Mechanisms

In 2016, the Commission established earning adjustment mechanisms (EAMs) as a temporary way in which to reward utility shareholders for a utility's demonstrated over performance associated with particular policy goals, including the Commission's energy efficiency goals.[132] In subsequent years, the Commission adopted a variety of EE/BE EAMs for programs operating through 2025, which were developed within individual utility rate case proceedings for all utilities, with the exception of NFG. However, as explained in the Order Directing Proposals, the Commission indicated that it would pause consideration of any new EE or BE EAMs until it determined an appropriate path forward and until the Commission and DPS Staff have a better understanding of what the EE/BE portfolio budgets and targets look like beyond 2025. In addition, the Commission noted that most commenters agreed that any future EE/BE EAMs should be addressed generically for all utilities, rather than within individual rate cases.

MI comments that it does not support EAMs, which are positive-only utility incentives. MI supports the Commission's decision to eliminate EAMs related to EE and BE programs. Moreover, MI asserts that the Commission and DPS Staff need to more strongly prioritize maintaining energy affordability for all customers. MI further explains that currently, customers are forced to fund ever-rising EE and BE program budgets that

[132] Case 14-M-0101, Reforming the Energy Vision, Order Adopting a Ratemaking and Utility Revenue Model Policy Framework (issued May 19, 2016).

frequently are becoming major "drivers" of large – and sometimes exorbitant – utility delivery rate increases.

Here, the Commission adopts a prohibition on EAMs for EE/BE efforts. As described in this Order, the Commission is directing wholesale, substantive shifts in the Utilities' EE/BE portfolios, adopting the Strategic Framework, and establishing a structure that allocates specific budgetary guidelines to prioritize the sub—portfolios we have determined to be most appropriate. Given the fifteen-plus years of experience the Utilities now have in implementing EE/BE programs and the specific and targeted priorities (i.e., weatherization and building electrification) of the 2026-2030 period, the Utilities are well positioned to proceed with EE/BE implementation without the need for imposing the added cost of EAMs on ratepayers.

CLCPA Compliance

Section 7(2) of the CLCPA requires a State agency, in considering and issuing permits, licenses, and other administrative approvals and decisions, to consider whether such decisions "are inconsistent with or will interfere with the attainment of statewide [GHG] emissions limits ...." and, where such decisions are deemed to be inconsistent with or will interfere with the attainment of such limits, provide a detailed statement of justification as to why such limits/criteria may not be met, and identify alternatives or GHG mitigation measures. Similarly, Section 7(3) of the CLCPA requires that State agency decisions not disproportionately burden disadvantaged communities.

Based on the facts on the record, the Commission finds that issuance of this Order is consistent with the requirements of both Sections 7(2) and 7(3) of the CLCPA. The actions taken herein to continue to foster energy efficiency and building electrification will provide numerous positive benefits statewide, including reducing carbon and other pollutant emissions associated with energy consumption, improving grid reliability, reducing fossil fuel dependence, and increasing customer choice and opportunity. Likewise, the directives in this Order and in the Non-LMI EE/BE Order are specifically tailored to enable LMI households and customers in Disadvantaged Communities to participate in and benefit from ratepayer-funded energy efficiency and building electrification offerings. Accordingly, the decisions being made herein are not inconsistent with and will not interfere with the attainment of statewide greenhouse limits, and do not disproportionately burden disadvantaged communities.

Moreover, the Commission's decisions in this Order are in compliance with CLCPA requirements, as codified in PSL §66-p(6), requiring that "at least twenty percent of investments in residential energy efficiency, including multi-family housing, can be invested in a manner which will benefit disadvantaged communities, ... including low to moderate income consumers." Similarly, this Order is consistent with CLCPA provisions, as codified in Environmental Conservation Law (ECL) §75-0117, requiring that "State agencies ... shall, to the extent practicable, invest or direct available and relevant programmatic resources in a manner designated to achieve a goal for disadvantaged communities to receive forty percent of overall benefits of spending on clean energy and energy efficiency programs, projects or investments in the areas of housing, workforce development, pollution reduction, low income energy assistance, energy, transportation and economic development, provided however, that disadvantaged communities shall receive no less than thirty-five percent of the overall benefits of spending on clean energy and energy efficiency programs, projects or investments...."

State Environmental Quality Review

Under the State Environmental Quality Review Act (SEQRA), Article 8 of the ECL, and SEQRA's implementing regulations, 6 NYCRR Part 617, the Commission must determine whether the actions it is authorized to approve may have a significant adverse impact on the environmental. The proposed action over which the Commission has jurisdiction here is the authorization of LMI EE/BE programs for the period 2026 through 2030. The proposed action does not meet the definition of Type 1 or Type 2 actions listed in 6 NYCRR §§617.4 and 617.5, or 16 NYCRR §7.2, so it is classified as an "unlisted" action, as defined in 6 NYCRR §617.2, requiring SEQRA review.

Because the proposed action does not involve any agency outside of the Commission, a coordinated review is unnecessary. The Commission therefor assumes Lead Agency status under SEQRA for purposes of conducting an environmental review of the proposed action.

To assist the Commission in its SEQRA review, DPS Staff completed an Environmental Assessment Form (EAF) describing and disclosing the likely impacts of the proposed action. As described in the EAF, the Commission considered various potential environmental and other impacts that may be reasonably expected to result. Based on the criteria for determining significance listed in 6 NYCRR §617.7(c), the Commission concludes that the action taken herein, in totality, will not result in a significant adverse environmental impact. Specifically, approval of EE/BE programs for 2026 through 2030 will result in numerous public benefits, including, but not limited to, reducing carbon and other pollutant emissions, improving grid reliability, reducing fossil fuel dependence, and increasing customer choice and opportunity. Overall, the Commission finds that EE/BE programs are anticipated to yield overall positive environmental impacts, primarily by reducing the State's use of, and dependence on, fossil fuels, among other benefits. The Commission's energy efficiency efforts are designed to reduce the adverse economic, social, and environmental impacts of fossil fuel energy resources by increasing the use of clean energy resources and technologies. While ordinary construction-related impacts are expected on a case-by-case basis, they do not outweigh the anticipated overall positive environmental impact.

Given the foregoing, the Commission, as Lead Agency, adopts a negative declaration pursuant to SEQRA.[133] Because no adverse environmental impacts were found, no public notice requesting comments is required or will be issued. A Notice of Determination of Significance concerning the unlisted action is attached. The completed EAF and determination of significance (negative declaration) will be retained in the Commission's files.

CONCLUSION

The collective actions the Commission takes today, within this Order and the contemporaneously issued Non-LMI EE/BE Order, recognize the successes of the past and represent a substantial evolution of the Commission's EE/BE efforts to better align with the needs of the future. These actions ensure funds are spent in an efficient manner to address energy affordability and access to clean energy solutions for some of the most vulnerable New Yorkers. By increasing ratepayer funding going to the LMI market segment over historic levels and

[133] The Commission's finding that the proposed action will not result in a significant adverse environmental impact is consistent with, and supported by, its prior review, analysis, and findings made in its NE:NY 2020 Order.

maximizing the level of funding within the LMI portfolio going to the EE/BE projects, we anticipate an overall increase in the number of LMI households that can be served with EE/BE solutions, relative to current LMI programs. Further, through the requirements for DPS Staff and PAs to improve engagement with stakeholders and market participants, and through improved oversight of the LMI programs by DPS Staff, we expect that EE/BE program design and implementation will better reflect the needs of LMI customers and service providers. These efforts will not only benefit participants of LMI programs; rather, deployment of LMI EE/BE solutions in accordance with the provisions of this Order will provide overall meaningful benefits to the electric and natural gas systems and to ratepayers overall.

The Commission orders:

1. The New York State Energy Research and Development Authority, KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, and Consolidated Edison Company of New York, Inc. shall file in Case 25-M-0249, within 120 days of the issuance of this Order, a Low-to-Moderate Income Energy Efficiency and Building Electrification Portfolio Implementation Plan for the years 2026 through 2030, subject to approval by New York State Department of Public Service staff, as discussed in the body of this Order.

2. The New York State Energy Research and Development Authority (NYSERDA) and KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, and Consolidated Edison Company of New York, Inc. (Downstate Utilities) shall file in Case 25-M-0249, no less than 45 days prior to the proposed effective date for a modification to the Low-to-Moderate Income Energy Efficiency and Building Electrification Portfolio Implementation Plan (Implementation

Plan), such proposed modification(s) for approval by New York State Department of Public Service staff, as discussed in the body of this Order and Appendices. NYSERDA and the Downstate Utilities shall otherwise update the Implementation Plan on an annual basis, subject to approval by New York State Department of Public Service staff, as discussed in the body of this Order.

3. The New York State Energy Research and Development Authority shall file in Cases 25-M-0248 and 25-M-0249, by January 31, 2026, an assessment to inform the development of Energy Efficiency and Building Electrification workforce development strategies for 2026 through 2030, as discussed in the body of this Order.

4. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file revised tariff statements, on not less than 15 days' notice, to become effective July 1, 2025, incorporating the revised 2025 collection schedules, as detailed in Appendix G and discussed in the body of this Order.

5. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file tariff revisions to enable cost recovery for the Energy Efficiency and Building Electrification programs, via a component of the System Benefit Charge, to go into effect on a temporary basis on January 1, 2026, on not less

than 15 days' notice, as discussed in the body of this Order and the Appendices.

6. National Fuel Gas Distribution Corporation shall file tariff revisions to enable cost recovery for the Energy Efficiency and Building Electrification programs, via the Conservation Incentive Program Cost Recovery Mechanism, to go into effect on a temporary basis on January 1, 2026, on not less than 15 days' notice, as discussed in the body of this Order and the Appendices.

7. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file tariff statements, annually, regarding the surcharge rates for cost recovery for the Energy Efficiency and Building Electrification programs, via a component of the System Benefit Charge or the Conservation Incentive Program Cost Recovery Mechanism, as appropriate, to go into effect on January 1st of each year, on not less than 15 days' notice, as discussed in the body of this Order and the Appendices.

8. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1, as to newspaper publication with respect to the tariff filings directed in Ordering Clause Nos. 4, 5, 6, and 7 above, are waived, as discussed in the body of this Order.

9. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara

Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file, within 90 days of the issuance of this Order, a detailed report in Cases 25-M-0248 and 25-M-0249 regarding the recovery of costs for the Energy Efficiency and Building Electrification programs, as discussed in the body of this Order.

10. The New York State Energy Research and Development Authority, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall incorporate the required information in their reports for the 2026 through 2030 period, to be filed in Case 25-M-0249, as discussed in the body of this Order.

11. The New York State Energy Research and Development Authority, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall comply with the funding and budget allocations, as discussed in the body of this Order and the Appendices.

12. The New York State Energy Research and Development Authority, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East

Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file in Case 25-M-0249, within 60 days of the date of issuance of this Order, a Low-to-Moderate Income Customer Referral Plan, as discussed in the body of this Order.

13. The New York State Energy Research and Development Authority shall, within 90 days of the date of issuance of this Order, file an Energy Efficiency and Building Electrification Workforce Development Implementation Plan in Cases 25-M-0248 and 25-M-0249, as discussed in the body of this Order.

14. The New York State Energy Research and Development Authority, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation shall file in Cases 14-M-0094, 18-M-0084, 25-M-0248, and 25-M-0249, within 90 days of the date of issuance of this Order, an updated Technical Resource Manual Management Plan, as discussed in the body of this Order.

15. The New York State Energy Research and Development Authority shall file in Cases 25-M-0248 and 25-M-0249, by June 30th of each year, an Uncommitted Funds Report reflecting data as of March 31st of each year, as discussed in the body of this Order.

16. The New York State Energy Research and Development Authority shall file in Cases 25-M-0248 and 25-M-0249, within 60

days, an updated Clean Energy Fund Cash Flow Analysis, as described in the body of this Order.

17. The New York State Energy Research and Development Authority, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation collaborate on stakeholder engagement through the Regional Clean Energy Hubs, the Energy Equity Collaborative, and the Disadvantaged Communities Stakeholder Services Pool, as discussed in the body of this Order.

18. New York State Department of Public Service staff shall, within 45 days of issuance of this Order, file in Case 25-M-0249 a document detailing the transition of the Low-to-Moderate Income Joint Management Committee, as discussed in the body of this Order.

19. New York State Department of Public Service staff shall, within 60 days of the issuance of this Order, file in Case 25-M-0249 a guidance document outlining a performance management framework for the Low-to-Moderate Income Energy Efficiency and Building Electrification Portfolio, as discussed in the body of this Order.

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

Corporation shall track and report on pre-weatherization investments and project deferral rates, and shall, in consultation with Department of Public Service staff, file a report and proposal regarding modifications to pre-weatherization improvements within three years of the date of issuance of this Order, as discussed in the body of this Order.

21. New York State Department of Public Service staff shall update and issue guidance documents, as discussed in the body of this Order.

22. New York State Department of Public Service staff shall develop and file in Case 25-E-0249 temporary reporting protocols and procedures for the Energy Efficiency and Building Electrification portfolios by no later than December 1, 2025, as discussed in the body of this Order.

23. New York State Department of Public Service staff shall issue a revised Energy Efficiency and Building Electrification Collection Schedule, compiling data gathered on an annual basis, and file in Cases 25-M-0248 and 25-M-0249 by the end of the first quarter of each calendar year, as discussed in the body of this Order.

24. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., KeySpan Gas East Corporation d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, National Fuel Gas Distribution Corporation, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., Rochester Gas and Electric Corporation (collectively, the Utilities) and the York State Energy Research and Development Authority (NYSERDA) shall, within 30 days of the date of issuance of this Order, file, in Case 18-M-0376, executed Data Security Agreements between NYSERDA and each of the Utilities, as discussed in the body of this Order.

25. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

26. These proceedings are continued.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

APPENDICES

Strategic Framework

"Strategic Measures/Programs" are measures and programs that: 1) permanently reduce and/or eliminate electricity or natural gas usage on an annual basis, which would not occur absent the program's intervention; 2) permanently reduce and/or eliminate electricity or natural gas usage on a peak-hour or peak-day basis, respectively (in areas of current or anticipated near-term supply constraints), which would not occur absent the program's intervention; 3) improve the building envelope resulting in near-term reduction in electricity or fossil fuel usage that will also serve to mitigate future winter peaking on the electric grid in the event the buildings heating system is electrified; or, 4) permanently reduce and/or eliminate on-site combustion of fossil fuel usage on an annual basis, through the installation of efficient space heating or hot water electrification, which would not occur absent the program's intervention.

"Non-Strategic Measures/Programs" are those that either: 1) jeopardize the advancement of Strategic energy efficiency and/or building electrification programs or measures; 2) increase the use of fossil fuels; 3) have an Effective Useful Life of six years or less; 4) do not promote conservation behaviors and result in use of more energy through increased operation of a measure; or 5) are naturally occurring energy efficiency that results from codes and standards, or through routine market adoption which typically occurs without targeted financing options, rebates, or incentives.

Lastly, "Neutral Measures/Programs" are those that neither advance nor jeopardize Strategic programs or measures, but produce overall reductions in annual energy consumption and do not have any characteristics considered Non-Strategic.

Strategic Framework: Proposed Modifications and Determinations

Proposed modifications for the Non-LMI portfolio are discussed in the Non-LMI EE/BE Order. Proposed modifications for the LMI portfolio are discussed in the LMI EE/BE Order. Both are included in the following table.

Proposed Deviation from Strategic Framework	**Determination: Non-LMI**	**Determination: LMI**
Allow lighting measures as Neutral or Strategic	Denied	Neutral when part of comprehensive work scope; Non-Strategic after 2027.
Allow efficient streetlighting and horticulture lighting as Strategic	Denied	N/A
Allow some plug-in electric appliances as Strategic, e.g. heat pump pool heaters and clothes dryers, induction cooktops, air purifiers, dehumidifiers, and smart strips. LMI only: allow refrigerators when they provide an affordability benefit.	Denied	Refrigerators considered Neutral when replacement of existing refrigerator improves energy affordability for the household.
LMI only: Allow Direct Install measures including low-flow shower heads, advanced power strips, thermostats, and pipe insulation as Neutral.	N/A	Neutral if installed directly by a contractor as part of a package of measures intended to reduce energy consumption.
Allow gas efficiency measures with EUL of less than 6 years, such as hot-water spray valves, steam traps, heating equipment tune-ups, and setback controls, as Neutral.	Denied	Neutral when packaged as part of a comprehensive work scope.

Allow gas combustion devices as Neutral.	Conditionally approved for hard-to-electrify C&I/multifamily applications, within budgetary limits and acceptable criteria to be established in Implementation Plans.	Conditionally approved for hard-to-electrify multifamily applications, within budgetary limits and acceptable criteria to be established in Implementation Plan. Neutral for 1-4 family only in some emergency no-heat circumstances.
LMI only: Allow all multifamily comprehensive work scopes as Strategic.	N/A	Conditionally approved, provided limited portion of costs attributed to lighting and subject to gas combustion equipment restrictions outlined above.
Allow remediation of health and safety and structural deficiency barriers as Neutral.	Denied	Allow up to 10% of program budget as part of pre-weatherization work scopes.
Allow customer-side electrical upgrades as Strategic.	T.B.D. following assessment of costs and needs.	T.B.D. following assessment of costs and needs.
Allow investments or incentives supporting phased or partial electrification as Strategic.	Denied for partial electrification. Conditionally approved for phased electrification for residential buildings with more than one unit.	Denied for partial electrification. Conditionally approved for phased electrification for residential buildings with more than one unit.
Allow residential hybrid heating systems as Strategic.	Denied	Denied

Program Administrators shall allocate a minimum of 85 percent of portfolio budgets to Strategic measures or programs, up to 15 percent of portfolio budgets to Neutral measures or programs, and no funding to Non-Strategic measures or programs.

Public Commenters

- Alliance for Clean Energy New York and Advanced Energy United
- Alliance for a Green Economy
- Alliance for a Green Economy, WE ACT for Environmental Justice, Climate Solutions Accelerator of the Genesee-Finger Lakes Region, Building Decarbonization Coalition, Urban Homesteading Assistance Board, PUSH Buffalo, Urbecon LLC, NYC 2030 District, Network for a Sustainable Tomorrow, Fossil Free Tompkins, Frack Action, Pratt Center for Community Development, Long Island Progressive Coalition, Rewiring America, Association for Energy Affordability, Inc., New Yorkers for Clean Power
- American Council for an Energy Efficient Economy
- Association for Energy Affordability Inc.
- Bedford 2030
- Bright Power
- Building Decarbonization Coalition
- City of New York
- Cycle Retrotech
- Enervee
- Franklin Energy
- Garrison Associates
- Greater New York Hospital Association
- J Ray Community Development
- Kinetic Communities Consulting, Association for Neighborhood & Housing Development, and Urban Homesteading Assistance Board
- Multiple Intervenors
- Natural Resources Defense Council, Association for Energy Affordability, New Yorkers for Clean Power, Regional Plan Association, Urban Green Council
- New York Geothermal Energy Organization
- New York State Homes and Community Renewal
- Opower
- PowerMarket
- Pratt Center for Community Development
- Public Utility Law Project
- Real Estate Board of New York
- Renew Home
- Rewiring America
- RMI
- Sealed Inc.

- Uplight
- Nkeiru Campbell-Ubadike
- Steve Couture, Right Light Energy Services
- Kris Granger, Eastern Energy Solutions
- Jack Kerby-Miller, Perl Street
- Klaus Meissner
- Aaron Miller, SHARC Energy
- James Newman, NOCO Energy
- Josh Randall, Niagara Cornell Cooperative Extension
- Kelley Raymond, Daikin U.S. Corporation
- Mark Thielking, Logical Efficiency LLC
- Kevin W Traut, ITEC Training & Education Center

In addition, the Commission received 147 comments representing more than 150 New York towns, villages, local organizations, and individuals on the topic of NYSERDA’s Clean Energy Communities program.

LMI EE/BE Budgets by Program Administrator
Average Annual and Total for 2026-2030

Electric	Average Annual	Total
Con Edison	$ 21,929,907	$ 109,649,536
Total	$ 21,929,907	$ 109,649,536

Gas	Average Annual	Total
Con Edison	$ 69,560,292	$ 347,801,458
KEDLI	$ 3,872,840	$ 19,364,200
KEDNY	$ 18,345,734	$ 91,728,670
Total	$ 91,778,866	$ 458,894,328

Combined Electric and Gas	Average Annual	Total
Con Edison	$ 91,490,199	$ 457,450,994
KEDLI	$ 3,872,840	$ 19,364,200
KEDNY	$ 18,345,734	$ 91,728,670
Total	$ 113,708,773	$ 568,543,864

NYSERDA	Average Annual	Total
NYSERDA	$ 142,857,143	$ 1,000,000,000

Notes: The budgets shown in this appendix include labor for NYSERDA and the Utilities. Utility average annual budgets are calculated over five years; NYSERDA average annual budgets are calculated over seven years.

LMI EE/BE Targets by Program Administrator
Average Annual and Total LMMBtu-e Targets for 2026-2030

Electric	Average Annual	Total
Con Edison	664,202	3,321,012
Total	664,202	3,321,012

Gas	Average Annual	Total
Con Edison	4,868,911	24,344,553
KEDLI	260,995	1,304,973
KEDNY	1,155,807	5,779,033
Total	6,285,712	31,428,558

Combined Electric and Gas	Average Annual	Total
Con Edison	5,533,113	27,665,565
KEDLI	260,995	1,304,973
KEDNY	1,155,807	5,779,033
Total	6,949,914	34,749,571

NYSERDA	Average Annual	Total
NYSERDA	9,378,894	65,652,257

Note: The targets shown in this appendix are expressed in lifetime MMBtu equivalent (LMMBtu-e). The targets do not net out increased MWh usage associated with building electrification, however, the increased MWh usage resulting from such building electrification programs and measures is an important data point and shall be tracked and reported separately. Average annual targets are calculated over five years for utilities and seven years for NYSERDA.

NYSERDA Budget Reallocations

NYSERDA Non-LMI Portfolio Budget Allocations (2026-2030) (in millions)			
	NYSERDA Proposal	**Commission Authorized**	**Net Change**
Programmatic Totals	$411.4	$422.0	$ 10.60
Technical Services	*$121.0*	$125.0	$ 4.00
Purposeful Demos	*$135.0*	$124.4	$(10.60)
Comfort Home	*$ 30.0*	$ 30.0	$ -
General Awareness & Education	*$ 58.9*	$ 49.6	$ (9.30)
DAC Engagement	*$ -*	*$21.6*	$ 21.60
Local Govt Engagement	*$ 18.0*	*$18.0*	$ -
General Marketing	*$ 15.6*	*$ 5.0*	$(10.60)
Program Marketing	*$ 8.8*	*$ -*	$ (8.80)
Mkt Insights, Vendor Tools, Systems	*$ 16.5*	*$ 5.0*	$(11.50)
Codes & Standards	*$ 50.0*	*$40.0*	$(10.00)
Workforce Development	*$ 16.5*	*$53.0*	$ 36.50
Administration	$ 71.0	$ 60.0	$(11.00)
EM&V	$ 12.0	$ 12.0	$ -
Cost Recovery Fee	$ 6.0	$ 6.0	$ -
Total	**$500.4**	**$500.0**	**$ (0.40)**

NYSERDA LMI Portfolio Budget Allocations (2026-2030) (in millions)			
	NYSERDA Proposal	**Commission Authorized**	**Net Change**
Programmatic Totals	$ 822.7	$ 844.0	$ 21.30
1-4 Residential	*$ 386.0*	$ 445.5	$ 59.50
Multifamily Residential	*$ 278.0*	$ 316.2	$ 38.20
General Awareness & Education	*$ 109.1*	$ 52.3	$(56.80)
DAC Engagement	*$ 73.3*	*$ 44.0*	$(29.30)
			$ -
General Marketing	*$ 19.2*	*$ 8.3*	$(10.90)
Program Marketing (1-4)	*$ 7.4*	*$ -*	$ (7.40)
Program Marketing (MF)	*$ 9.2*	*$ -*	$ (9.20)
			$ -
Workforce Development	*$ 49.6*	$ 30.0	$(19.60)
Administration	$ 142.0	$ 120.0	$(22.00)
EM&V	$ 24.0	$ 24.0	$ -
Cost Recovery Fee	$ 12.0	$ 12.0	$ -
Total	**$1,000.7**	**$ 1,000.0**	$ (0.70)

NYSERDA LMI EE/BE Portfolio Cost Allocations by Utility

NYSERDA LMI EE/BE Portfolio - Allocations for Electric Collections

	Statewide	Statewide	Upstate Only	Upstate Only
	2023 Annual Delivery Service Load (MWh)	MWh Load Ratio Share	2023 Annual Delivery Service Load (MWh)	MWh Load Ratio Share
Central Hudson	4,605,511	4.79%	4,605,511	8.57%
Con Edison	42,309,735	44.04%	-	0.00%
KEDLI	-	0.00%	-	0.00%
KEDNY	-	0.00%	-	0.00%
NFG	-	0.00%	-	0.00%
NMPC	25,386,204	26.43%	25,386,204	47.22%
NYSEG	13,313,797	13.86%	13,313,797	24.77%
O&R	3,845,513	4.00%	3,845,513	7.15%
RGE	6,607,076	6.88%	6,607,076	12.29%
Total	96,067,836	100.0%	53,758,101	100.0%

Note: Excludes NYPA Sales by Service Territory to maintain current exemptions

NYSERDA LMI EE/BE Portfolio - Allocations for Gas Collections

	Statewide	Statewide	Upstate Only	Upstate Only
	2023 Annual Delivery Sales (Dth)	Dth Load Ratio Share	2023 Annual Delivery Sales (Dth)	Dth Load Ratio Share
Central Hudson	12,380,397	1.47%	12,380,397	3.27%
Con Edison	177,447,425	21.13%	-	0.00%
KEDLI	96,553,433	11.50%	-	0.00%
KEDNY	186,791,071	22.25%	-	0.00%
NFG	91,551,308	10.90%	91,551,308	24.17%
NMPC	147,040,844	17.51%	147,040,844	38.81%
NYSEG	51,739,615	6.16%	51,739,615	13.66%
O&R	22,713,082	2.71%	22,713,082	6.00%
RGE	53,427,925	6.36%	53,427,925	14.10%
Total	839,645,101	100.0%	378,853,171	100.0%

NYSERDA LMI EE/BE Portfolio - Combined Effective Allocations - Electric and Gas

	Electric Utility Allocations	Gas Utility Allocations
Central Hudson	2.96%	1.00%
Con Edison	15.50%	7.44%
KEDLI	0.00%	4.05%
KEDNY	0.00%	7.83%
NFG	0.00%	7.41%
NMPC	16.29%	11.91%
NYSEG	8.54%	4.19%
O&R	2.47%	1.84%
RGE	4.24%	4.33%
Total	50.0%	50.0%

Note: Excludes NYPA Sales by service territory to maintain current exemptions

Accumulated Interest on CEF Collections Held at Utilities

As of December 31, 2024

	Electric - Total	Electric - LMI Allocation	Electric Non-LMI Allocations	Gas - Total	Gas - LMI Allocation	Gas Non-LMI Allocation	Electric & Gas Total
Central Hudson	$0	$0	$0	$0	$0	$0	$0
Con Edison	$44,808,978	$30,022,015	$14,786,963	$616,973	$616,973	$0	$45,425,951
National Grid	$55,530,299	$37,205,300	$18,324,999	$1,149,321	$1,149,321	$0	$56,679,621
NYSEG	$22,005,275	$14,743,534	$7,261,741	$0	$0	$0	$22,005,275
RGE	$11,889,279	$7,965,817	$3,923,462	$0	$0	$0	$11,889,279
O&R	$4,024,384	$2,696,337	$1,328,047	$0	$0	$0	$4,024,384
NFG	n/a	$0	$0	$0	$0	$0	$0
KEDLI	n/a	$0	$0	$212,187	$212,187	$0	$212,187
KEDNY	n/a	$0	$0	$1,606,533	$1,606,533	$0	$1,606,533
Total	**$138,258,214**	**$92,633,004**	**$45,625,211**	**$3,585,014**	**$3,585,014**	**$0**	**$141,843,228**

Notes: Figures are as reported by Utilities between March 1 and March 20, 2025 in the 2024 Bill-as-you-Go Accumulated Interest Reports, within Case 14-M-0094, with the exception of Central Hudson and Con Edison. Central Hudson's figures have been withheld pending Case 24-E-0461 Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric Service. Con Edison's figures have been updated to reflect the Commission's authorization to use $27,577,246 of accrued Bill-as-you-Go Interest to provide additional funding towards its Clean Heat NY Program, within 18-M-0084 In the Matter of a Comprehensive Energy Efficiency Initiative, in its Order Approving Funding for Clean Heat Program issued August 11, 2022.

Collection Schedules for NYSERDA Programs

Incremental NYSERDA LMI EE/BE Portfolio - Electric Collections									
	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson		$ 3,327,744	$ 4,409,409	$ 5,236,912	$ 5,898,914	$ 5,966,888	$ 3,271,592	$ 1,442,219	$ 29,553,678
Con Edison		$ 17,456,708	$ 23,130,914	$ 27,471,836	$ 30,944,573	$ 31,301,149	$ 17,162,146	$ 7,565,607	$ 155,032,933
KEDLI		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
KEDNY		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFG		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC		$ 18,342,979	$ 24,305,262	$ 28,866,571	$ 32,515,618	$ 32,890,297	$ 18,033,462	$ 7,949,710	$ 162,903,900
NYSEG		$ 9,619,977	$ 12,746,897	$ 15,139,076	$ 17,052,820	$ 17,249,320	$ 9,457,651	$ 4,169,226	$ 85,434,968
O&R		$ 2,778,602	$ 3,681,771	$ 4,372,720	$ 4,925,480	$ 4,982,236	$ 2,731,716	$ 1,204,226	$ 24,676,752
RGE		$ 4,773,989	$ 6,325,747	$ 7,512,885	$ 8,462,595	$ 8,560,110	$ 4,693,433	$ 2,069,011	$ 42,397,769
Total	$ -	$ 56,300,000	$ 74,600,000	$ 88,600,000	$ 99,800,000	$100,950,000	$ 55,350,000	$ 24,400,000	$ 500,000,000

Incremental NYSERDA LMI EE/BE Portfolio - Gas Collections									
	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson		$ 1,128,964	$ 1,495,928	$ 1,776,665	$ 2,001,255	$ 2,024,316	$ 1,109,914	$ 489,285	$ 10,026,327
Con Edison		$ 8,376,720	$ 11,099,526	$ 13,182,547	$ 14,848,964	$ 15,020,069	$ 8,235,372	$ 3,630,408	$ 74,393,606
KEDLI		$ 4,557,976	$ 6,039,520	$ 7,172,942	$ 8,079,680	$ 8,172,783	$ 4,481,065	$ 1,975,393	$ 40,479,359
KEDNY		$ 8,817,803	$ 11,683,981	$ 13,876,685	$ 15,630,849	$ 15,810,964	$ 8,669,013	$ 3,821,570	$ 78,310,865
NFG		$ 8,348,535	$ 11,062,179	$ 13,138,192	$ 14,799,001	$ 14,969,531	$ 8,207,663	$ 3,618,193	$ 74,143,293
NMPC		$ 13,408,608	$ 17,767,001	$ 21,101,291	$ 23,768,723	$ 24,042,611	$ 13,182,353	$ 5,811,191	$ 119,081,776
NYSEG		$ 4,718,119	$ 6,251,717	$ 7,424,962	$ 8,363,557	$ 8,459,931	$ 4,638,506	$ 2,044,798	$ 41,901,590
O&R		$ 2,071,199	$ 2,744,430	$ 3,259,471	$ 3,671,503	$ 3,713,810	$ 2,036,250	$ 897,642	$ 18,394,305
RGE		$ 4,872,076	$ 6,455,716	$ 7,667,245	$ 8,636,468	$ 8,735,986	$ 4,789,865	$ 2,111,521	$ 43,268,877
Total	$ -	$ 56,300,000	$ 74,600,000	$ 88,600,000	$ 99,800,000	$100,950,000	$ 55,350,000	$ 24,400,000	$ 500,000,000

NYSERDA LMI Offsets (NYSun Surplus) - Electric Collections Only									
	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson		$ -	$ -	$ -	$ (2,876,412)	$ (3,355,814)	$ (527,342)	$ (201,349)	$ (6,960,917)
Con Edison		$ -	$ -	$ -	$(26,424,912)	$(30,829,064)	$ (4,844,567)	$ (1,849,744)	$ (63,948,287)
KEDLI		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
KEDNY		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFG		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC		$ -	$ -	$ -	$(15,855,174)	$(18,497,703)	$ (2,906,782)	$ (1,109,862)	$ (38,369,521)
NYSEG		$ -	$ -	$ -	$ (8,315,248)	$ (9,701,122)	$ (1,524,462)	$ (582,067)	$ (20,122,899)
O&R		$ -	$ -	$ -	$ (2,401,748)	$ (2,802,040)	$ (440,321)	$ (168,122)	$ (5,812,231)
RGE		$ -	$ -	$ -	$ (4,126,506)	$ (4,814,258)	$ (756,526)	$ (288,855)	$ (9,986,146)
Total	$ -	$ -	$ -	$ -	$(60,000,000)	$(70,000,000)	$(11,000,000)	$ (4,200,000)	$ (145,200,000)

NYSERDA LMI Offsets (BAYG Interest) - Electric Collections									
	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Con Edison		$ (10,007,338)	$ (10,007,338)	$ (10,007,338)	$ -	$ -	$ -	$ -	$ (30,022,015)
KEDLI		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
KEDNY		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFG		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC		$ (12,401,767)	$ (12,401,767)	$ (12,401,767)	$ -	$ -	$ -	$ -	$ (37,205,300)
NYSEG		$ (7,371,767)	$ (7,371,767)	$ -	$ -	$ -	$ -	$ -	$ (14,743,534)
O&R		$ (1,348,169)	$ (1,348,169)	$ -	$ -	$ -	$ -	$ -	$ (2,696,337)
RGE		$ (3,982,908)	$ (3,982,908)	$ -	$ -	$ -	$ -	$ -	$ (7,965,817)
Total	$ -	$ (35,111,949)	$ (35,111,949)	$ (22,409,105)	$ -	$ -	$ -	$ -	$ (92,633,004)

NYSERDA LMI Offsets (BAYG Interest) - Gas Collections									
	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Con Edison		$ (308,486)	$ (308,486)	$ -	$ -	$ -	$ -	$ -	$ (616,973)
KEDLI		$ (106,093)	$ (106,093)	$ -	$ -	$ -	$ -	$ -	$ (212,187)
KEDNY		$ (803,266)	$ (803,266)	$ -	$ -	$ -	$ -	$ -	$ (1,606,533)
NFG		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC		$ (574,661)	$ (574,661)	$ -	$ -	$ -	$ -	$ -	$ (1,149,321)
NYSEG		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
O&R		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RGE		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ (1,792,507)	$ (1,792,507)	$ -	$ -	$ -	$ -	$ -	$ (3,585,014)

Resulting Net NYSERDA LMI EE/BE Portfolio Collections (after Offsets) - Electric Collections									
	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson		$ 3,327,744	$ 4,409,409	$ 5,236,912	$ 3,022,502	$ 2,611,074	$ 2,744,250	$ 1,240,871	$ 22,592,762
Con Edison		$ 7,449,370	$ 13,123,575	$ 17,464,497	$ 4,519,662	$ 472,085	$ 12,317,579	$ 5,715,863	$ 61,062,631
KEDLI		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
KEDNY		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFG		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC		$ 5,941,212	$ 11,903,495	$ 16,464,804	$ 16,660,445	$ 14,392,595	$ 15,126,680	$ 6,839,848	$ 87,329,079
NYSEG		$ 2,248,210	$ 5,375,130	$ 15,139,076	$ 8,737,572	$ 7,548,198	$ 7,933,189	$ 3,587,159	$ 50,568,535
O&R		$ 1,430,434	$ 2,333,603	$ 4,372,720	$ 2,523,731	$ 2,180,196	$ 2,291,396	$ 1,036,103	$ 16,168,184
RGE		$ 791,080	$ 2,342,839	$ 7,512,885	$ 4,336,088	$ 3,745,852	$ 3,936,907	$ 1,780,156	$ 24,445,807
Total	$ -	$ 21,188,051	$ 39,488,051	$ 66,190,895	$ 39,800,000	$ 30,950,000	$ 44,350,000	$ 20,200,000	$ 262,166,996

Resulting Net NYSERDA LMI EE/BE Portfolio Collections (after Offsets) - Gas Collections									
	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson		$ 1,128,964	$ 1,495,928	$ 1,776,665	$ 2,001,255	$ 2,024,316	$ 1,109,914	$ 489,285	$ 10,026,327
Con Edison		$ 8,068,234	$ 10,791,040	$ 13,182,547	$ 14,848,964	$ 15,020,069	$ 8,235,372	$ 3,630,408	$ 73,776,633
KEDLI		$ 4,451,882	$ 5,933,427	$ 7,172,942	$ 8,079,680	$ 8,172,783	$ 4,481,065	$ 1,975,393	$ 40,267,172
KEDNY		$ 8,014,537	$ 10,880,715	$ 13,876,685	$ 15,630,849	$ 15,810,964	$ 8,669,013	$ 3,821,570	$ 76,704,332
NFG		$ 8,348,535	$ 11,062,179	$ 13,138,192	$ 14,799,001	$ 14,969,531	$ 8,207,663	$ 3,618,193	$ 74,143,293
NMPC		$ 12,833,947	$ 17,192,340	$ 21,101,291	$ 23,768,723	$ 24,042,611	$ 13,182,353	$ 5,811,191	$ 117,932,455
NYSEG		$ 4,718,119	$ 6,251,717	$ 7,424,962	$ 8,363,557	$ 8,459,931	$ 4,638,506	$ 2,044,798	$ 41,901,590
O&R		$ 2,071,199	$ 2,744,430	$ 3,259,471	$ 3,671,503	$ 3,713,810	$ 2,036,250	$ 897,642	$ 18,394,305
RGE		$ 4,872,076	$ 6,455,716	$ 7,667,245	$ 8,636,468	$ 8,735,986	$ 4,789,865	$ 2,111,521	$ 43,268,877
Total	$ -	$ 54,507,493	$ 72,807,493	$ 88,600,000	$ 99,800,000	$100,950,000	$ 55,350,000	$ 24,400,000	$ 496,414,986

NYSERDA Previously Authorized Program Collections - Electric Collections Only (Note: Does not include Enegy Storage - 6GW Roadmap or IEDR)

	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson	$ 35,130,337	$ 24,393,410	$ 18,132,660	$ 13,555,906	$ 11,885,573	$ 8,645,679	$ 1,646,314	$ 855,349	$ 114,245,229
Con Edison	$ 322,734,054	$ 224,096,465	$ 166,580,442	$ 124,534,884	$109,189,938	$ 79,425,798	$ 15,124,298	$ 7,857,888	$ 1,049,543,767
KEDLI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
KEDNY	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFG	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC	$ 193,643,201	$ 134,459,801	$ 99,949,694	$ 74,721,999	$ 65,514,899	$ 47,656,160	$ 9,074,709	$ 4,714,800	$ 629,735,264
NYSEG	$ 101,556,198	$ 70,517,457	$ 52,418,628	$ 39,187,960	$ 34,359,296	$ 24,993,278	$ 4,759,232	$ 2,472,677	$ 330,264,727
O&R	$ 29,333,155	$ 20,368,028	$ 15,140,422	$ 11,318,920	$ 9,924,225	$ 7,218,975	$ 1,374,641	$ 714,200	$ 95,392,566
RGE	$ 50,398,055	$ 34,994,838	$ 26,013,153	$ 19,447,331	$ 17,051,069	$ 12,403,109	$ 2,361,806	$ 1,227,085	$ 163,896,446
Total	$ 732,795,000	$ 508,830,000	$ 378,235,000	$ 282,767,000	$247,925,000	$180,343,000	$ 34,341,000	$ 17,842,000	$ 2,383,078,000

NYSERDA Adjustments to Previously Authorized (Cash Balance Adjustments*) - Electric Collections Only

	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson	$ (7,191,030)	$ (9,108,637)	$ -	$ 9,108,637	$ 7,191,030	$ -	$ -	$ -	$ 0
Con Edison	$ (66,062,280)	$ (83,678,887)	$ -	$ 83,678,887	$ 66,062,280	$ -	$ -	$ -	$ 0
KEDLI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
KEDNY	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFG	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC	$ (39,637,934)	$ (50,208,050)	$ -	$ 50,208,050	$ 39,637,934	$ -	$ -	$ -	$ -
NYSEG	$ (20,788,119)	$ (26,331,617)	$ -	$ 26,331,617	$ 20,788,119	$ -	$ -	$ -	$ (0)
O&R	$ (6,004,371)	$ (7,605,537)	$ -	$ 7,605,537	$ 6,004,371	$ -	$ -	$ -	$ -
RGE	$ (10,316,266)	$ (13,067,270)	$ -	$ 13,067,270	$ 10,316,266	$ -	$ -	$ -	$ (0)
Total	$ (150,000,000)	$ (190,000,000)	$ -	$ 190,000,000	$150,000,000	$ -	$ -	$ -	$ 0

NYSERDA Revised Previously Authorized Program Collections (after Cash Balance Adjustments*) - Electric Collections Only

	2025	2026	2027	2028	2029	2030	2031	2032	Total
Central Hudson	$ 27,939,307	$ 15,284,773	$ 18,132,660	$ 22,664,543	$ 19,076,603	$ 8,645,679	$ 1,646,314	$ 855,349	$ 114,245,229
Con Edison	$ 256,671,775	$ 140,417,577	$ 166,580,442	$ 208,213,771	$175,252,217	$ 79,425,798	$ 15,124,298	$ 7,857,888	$ 1,049,543,767
KEDLI	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
KEDNY	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFG	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMPC	$ 154,005,267	$ 84,251,751	$ 99,949,694	$ 124,930,049	$105,152,834	$ 47,656,160	$ 9,074,709	$ 4,714,800	$ 629,735,264
NYSEG	$ 80,768,079	$ 44,185,840	$ 52,418,628	$ 65,519,578	$ 55,147,415	$ 24,993,278	$ 4,759,232	$ 2,472,677	$ 330,264,727
O&R	$ 23,328,783	$ 12,762,491	$ 15,140,422	$ 18,924,457	$ 15,928,596	$ 7,218,975	$ 1,374,641	$ 714,200	$ 95,392,566
RGE	$ 40,081,789	$ 21,927,568	$ 26,013,153	$ 32,514,601	$ 27,367,335	$ 12,403,109	$ 2,361,806	$ 1,227,085	$ 163,896,446
Total	$ 582,795,000	$ 318,830,000	$ 378,235,000	$ 472,767,000	$397,925,000	$180,343,000	$ 34,341,000	$ 17,842,000	$ 2,383,078,000

*Reflects estimate of cash balance at each utility and will be reconciled as needed.

Money Out the Door (MOTD) Analysis

Program Administrator	Combined Electric/Gas and LMI/Non-LMI 2021 MOTD %	Combined Electric/Gas and LMI/Non-LMI 2022 MOTD %	Combined Electric/Gas and LMI/Non-LMI 2023 MOTD %	Combined Electric/Gas and LMI/Non-LMI 3-Year Average MOTD %
Central Hudson	86%	81%	79%	82%
Con Edison	74%	88%	80%	82%
KEDLI	56%	70%	85%	77%
KEDNY	56%	62%	80%	72%
National Fuel Gas	83%	83%	68%	78%
Niagara Mohawk	76%	73%	73%	74%
NYSEG	86%	82%	81%	83%
NYSERDA	75%	74%	71%	73%
Orange & Rockland	57%	75%	70%	69%
RGE	73%	73%	72%	73%
Weighted Average:	75%	81%	77%	78%

Money Out the Door (MOTD) = Incentives and Services + Business Support expenditures + Tools, Training and Replication expenditures as a % of total EE/BE expenditures, including administrative costs such as labor.

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 14-M-0094 - Proceeding on Motion of the Commission to Consider a Clean Energy Fund.

CASE 18-M-0084 – In the Matter of a Comprehensive Energy Efficiency Initiative.

CASE 25-M-0248 - In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios.

NOTICE OF DETERMINATION OF SIGNIFICANCE
(NEGATIVE DECLARATION)

NOTICE is hereby given that an Environmental Impact Statement will not be prepared in connection with the Public Service Commission's (Commission) authorization of energy efficiency and building electrification programs for the period 2026 through 2030. The action taken in these cases constitutes an "unlisted" action, as is defined in 6 NYCRR §617.

Based on the Commission's review of the record, the Commission finds that the actions taken herein will not have a significant adverse impact on the environment, under the criteria set forth in 6 NYCRR §617.7. The record demonstrates that approval of energy efficiency (EE) and building electrification (BE) programs for 2026 through 2030 will result in numerous public benefits, including, but not limited to, reducing carbon and other pollutant emissions, improving grid reliability, reducing fossil fuel dependence, and increasing customer choice and opportunity. The Commission further finds that, overall, the EE/BE programs are anticipated to yield overall positive environmental impacts, primarily by reducing the State's use of, and dependence on, fossil fuels, among other benefits. The Commission’s EE efforts are designed to reduce the adverse economic, social, and environmental impacts of fossil fuel energy resources by increasing the use of clean energy resources and technologies. While ordinary construction-related impacts are expected on a case-by-case basis, they do not outweigh the anticipated overall positive environmental impact.

The address of the Public Service Commission, the Lead Agency for the purposes of the environmental quality review of this project, is Three Empire State Plaza, Albany, New York 12223-1350. Questions may be directed to Christopher Coll at (518) 402-5795 or at the address above.

MICHELLE L. PHILLIPS
Secretary