Via Electronic mail

April 28, 2020

Hon. Michelle Phillips
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350
Email: secretary@dps.ny.gov

Re: *Case 20-M-0187*
Petition of Multiple Intervenors Seeking Immediate, Material Rate Relief for Electric and Gas Customers, Including a Pause in Surcharges and Collections for Projects and Programs Delayed as a Result of the COVID-19 Pandemic

Dear Secretary Phillips,

The members of the Energy Efficiency for All New York (EEFA NY) respectfully submit this letter in opposition to the *Petition of Multiple Intervenors Seeking Immediate, Material Rate Relief for Electric and Gas Customers, Including a Pause in Surcharges and Collections for Projects and Programs Delayed as a Result of the COVID-19 Pandemic.* [1] Energy Efficiency for

[1] Case 20-M-0187, Petition of Multiple Intervenors Seeking Immediate, Material Rate Relief for Electric and Gas Customers, Including a Pause in Surcharges and Collections for Projects and Programs Delayed as a Result of the COVID-19 Pandemic, April 10, 2020.

All (EEFA) New York includes the Association for Energy Affordability, Enterprise Community Partners, Green and Healthy Homes Initiative, Natural Resources Defense Council, Pace Energy and Climate Center, and WEACT for Environmental Justice. EEFA is a national initiative headed by Elevate Energy, the Energy Foundation, National Housing Trust, and Natural Resources Defense Council to support state-based coalitions, including EEFA NY, and to bring together the energy, affordable housing, and health communities to tap the benefits of energy efficiency and other holistic building measures for millions of low-income families.

EEFA NY engages with diverse interests to advance energy efficiency and affordability in New York's residential sector, including being active in the Public Service Commission's proceedings on these topics. We do not see efficiency and affordability as in conflict but, rather, see clean energy investments as a path toward healthier and more affordable housing for all. This filing and that filed by EEFA member the Association for Energy Affordability are in agreement.

Multiple Intervenors (MI) suggests that New York's response to the pandemic and the resulting economic distress require immediate *rate relief* by the Public Service Commission (Commission). To this end, Multiple Intervenors requests that the Commission halt utility collection of funds for clean energy programs and, furthermore, to take clean energy program funds already collected but not yet spent by NYSERDA and the utilities and return them to customers. The Commission should reject the petition by Multiple Intervenors for two reasons. First, approval would not achieve MI's stated goals and would have a detrimental effect on long-term affordability and household energy burden. Second, approval would unnecessarily jeopardize clean energy programs and clean energy businesses and the benefits they provide to all New Yorkers.

INTRODUCTION

The fact that closure of "non-essential" businesses in New York because of the COVID-19 public health crisis has serious economic impacts on utility customers, including residential, commercial and industrial customers, is not in dispute. We do dispute MI's assertions that clean energy programs need not be funded during the public health crisis and that a return of such funds would be an effective response to the economic damage resulting from the State's necessary public health response to the COVID-19 crisis. Furthermore, we believe MI's proposal would jeopardize New York's post-crisis economic recovery, damage many small businesses and non-profits, and would adversely affect the lower-income households and communities of color most adversely impacted by COVID-19 and the stay-at-home policy.

Finally, we do not believe all utility customers need to be treated equally during these difficult times, when they are not all facing the same economic circumstances.

Consumer Power Advocates (CPA) filed in support of MI's petition on behalf of CPA's education and health care members.[2] CPA argues that MI's petition can be implemented in a narrow enough manner to not adversely impact the clean energy programs while simultaneously providing sufficient relief to consumers. We disagree. Hospitals in New York City are, no doubt, in need of massive support for the economic hardship brought on by the suspension of elective surgery and the massive expansion to treat COVID-19 patients. However, suspending clean energy surcharges would be inconsequential to repairing their balance sheets. More importantly, funding for hospitals' tremendous public health efforts should be the responsibility of the federal government, which has indeed earmarked funds for hospitals in recent Congressional aid packages. In addition, reducing funds for clean energy programs immediately and for the near future would cause further damage to clean energy businesses and the local economies in which they are based, and deprive households and businesses (including MI and CPA members) of assistance in reducing bills longer-term. The immediate economic crisis will pass. The long-term economic impacts may linger for years, and efficiency, weatherization, and other energy-saving measures will be more important than ever to support energy bill affordability.

We also note that the Public Utility Law Project (PULP) has filed a petition requesting action to address "unreasonable numbers of service terminations" and "unreasonable bill impacts."[3] We believe PULP's request for a more comprehensive review of how to protect ratepayers, specifically mass market residential and small business customers, during and after the public health crisis is more appropriate than MI's suggestion to cut important clean energy programs that provide lasting benefits to all New Yorkers. However, this letter focuses on MI's submission.

FOCUS ON CLEAN ENERGY FUNDS FOR RATE RELIEF IS INAPPROPRIATE

MI admits that there are many potential sources of rate relief (MI, p.1) and yet focuses exclusively on the clean energy funds, which they admit have been the subject of their opposition ("concern") for many years (i.e., well before the recent public health crisis). The petition also cites the past recession and the Commission's actions at that time in Case 09-M-

[2] Case 20-M-0187, Comments of Consumer Power Advocates, April 15, 2020.

[3] Case 20-M-0198, Petition of Public Utility Law Project of New York, Inc. for an Order of the Public Service Commission Commencing a Generic Proceeding to Avert Unreasonable Bill Impacts Upon Residential Ratepayers Arising from the COVID-19 Pandemic, the New York on Pause Order and Various Moratoria, April 21, 2020.

0435, *Proceeding on Motion of the Commission Regarding the Development of Utility Austerity Programs*, as grounds for Commission action during this economic downturn. However, MI does not raise specific austerity measures or suggestions from that proceeding. While the Commission has the authority, as it did in 2009, to consider "eliminating or deferring spending whenever such actions can be taken without compromising the provision of safe and reliable service," it should undertake such action as part of a more holistic review of utility programs and expenditures to determine the most effective mechanisms to provide relief to customers. Notably, in Case 09-M-0435, the Commission did not order a blanket stop of specific collections or activities, but rather directed the utilities to "closely examine [their] capital expenditures, operation and maintenance expenses and any other expense areas over which [they have] discretion to identify costs that may be reduced without impairing the ability to provide safe and adequate service."[4]

New York is facing unique and unprecedented economic and public health challenges as a result of COVID-19. While the state should take lessons learned from recovery efforts undertaken during the 2008 financial crisis, MI's petition fails to specify which efforts would be appropriate to the present situation. Without due consideration of which utility austerity measures proposed in 2009 would be appropriate in the context of COVID-19, there is no basis in the record to determine that MI's proposal is necessary and appropriate. The Commission is already taking critical action to support customers during these difficult times, including through moratoriums on disconnections of utility services for customers who are unable to pay their bills. The question of what additional mechanisms can provide relief must be addressed through a more thorough analysis, rather than focusing on clean energy program funding.

Finally, MI's petition requests equal treatment for all ratepayers. MI represents larger commercial and industrial customers who are likely faced with disparate impacts from the work-from-home directive. Not all industries are closed. Those that are will have reduced utility bills, and some have workers producing revenue from home and others do not. By comparison, residential customers, particularly many lower-wage workers, are in the opposite position. They will have *increased* bills from families staying at home 24/7 and lower incomes due to widespread unemployment. PULP's suggestions for a more comprehensive review of how utilities should manage the likely wave of arrearages and termination notices is a far more appropriate and equitable approach to ensuring the lights stay on for all New Yorkers.

[4] Case 09-M-0435, *Notice Requiring the Filing of Utility Austerity Plans*, Proceeding on Motion of the Commission Regarding the Development of Utility Austerity Programs (May 15, 2009).

ENERGY EFFICIENCY IS IMPORTANT TO ECONOMIC RECOVERY[5]

The energy efficiency industry supports over 100,000 energy efficiency jobs in New York, most of which are skilled labor. NYSERDA has robust programs for workforce development to feed this (pre-COVID-19) growing job sector. New York cannot meet its climate goals and cannot provide affordable, safe and healthy homes without this trained workforce. Energy efficiency helps customers reduce or manage their bills and will be needed more than ever when we rebuild our economy. In fact, with existing and potential future “stay-at-home” orders, now more than ever, New Yorkers need safe, comfortable and healthy homes that the energy efficiency industry can provide.

There is no question energy efficiency providers in New York have very limited <u>on-site</u> work opportunities at this time given much of their work requires entering occupied dwellings, especially those serving residential buildings. However, as MI acknowledges, the work stoppage is not complete. Many service providers continue to support workforces that are engaged in training, outreach and education, and sales to build a pipeline of work when on-site work restrictions are lifted. These funds also support NYSERDA staff that are continuing to work. Communications and planning between program administrators and providers, and providers and customers, are ongoing. Consideration is also being given to program changes that can facilitate retention of the workforce and enable a rapid scaling of efficiency work once the public health crisis has subsided (e.g., support for online training, remote energy audits, partial payments for work underway). Stopping clean energy program collections and returning the existing funds will create uncertainty and distrust that will prevent providers from positioning themselves to be back in business. It is also increasingly apparent that economic recovery will be done in phases and will begin in some locations in the state before others, e.g., upstate before downstate. Loss and then redevelopment of the delivery infrastructure is a potential cost, and is one we cannot afford. Instead, the Commission should signal its commitment to combating climate change (also a worldwide threat) and prepare to support a green and sustainable economic recovery aligned with the state’s long-term energy, climate, and environmental justice goals.

“RATE RELIEF” SHOULD FOCUS ON HARDEST HIT COMMUNITIES FIRST

MI incorrectly focuses on utility rates when it is overall bills that matter, and which energy efficiency can help consumers manage. MI also argues that the approach they propose avoids

[5] These comments focus on energy efficiency but much of the same arguments will apply to other clean energy technologies.

impacts on utilities. However, as PULP notes, utilities have a decline in load and face substantial residential and small business arrears, given the high unemployment rates and a moratorium on terminations. Simply killing clean energy investment is not a solution to this very real problem; PULP presents a more appropriate focus for addressing those customers that are unable to pay their utility bills by asking the Commission to engage the utilities in designing remedies. The recent New Efficiency: New York Order[6] directs 20% of new funding to low- and moderate-income households and the New York Climate Leadership and Community Protection Act requires that at least 35% of benefits from such programs go to disadvantaged communities. Now is most certainly not the time to remove funding from these communities, which are also those hardest hit by COVID-19. New York must continue to show leadership in combating climate change, funding energy efficiency and providing resources for communities on the frontlines of climate change and COVID-19.

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Respectfully submitted,

Valerie Strauss
On behalf of EEFA NY

[6] CASE 18-M-0084 - In the Matter of a Comprehensive Energy Efficiency Initiative, Issued January 16, 2020.