New York Energy Consumers Council, Board Members’ Meeting, Wednesday, December 7, 2022

Presenter: George Diamantopoulos, Esq., Counsel to the NYECC

**Energy News**

* 11/9/22 - Governor Kathy Hochul announced more than $3.7 million to bring innovative climate technology or climate tech manufacturing and products to New York State. The M-Corps program will connect startups scaling goods that lower greenhouse gases or reduce energy consumption with local supply chain partners, manufacturers, and suppliers while prioritizing connections in underserved communities. This announcement supports the State's CLCPA goal of reducing carbon emissions 85% from 1990 levels by 2050.
  + NYSERDA will competitively select a program administrator to work with NYSERDA to guide start-ups through key decisions related to the manufacturing development process. The administrator will facilitate supply chain relationships and partnerships, provide operational and programming support to climate tech startups and connect them with local resources. The program administrator will be awarded up to $3.7 million in funding to assist in successfully bringing new products to market.
  + NYSERDA will accept applications from qualified organizations through January 4, 2023. Applicants must demonstrate expertise in climate tech hardware and startup commercialization and must have local knowledge of New York State and relationships with manufacturers and suppliers in New York.
  + This program replaces the previous NYSERDA supported versions of the M-Corps program. Since 2017, the NYSERDA Technology to Market Program has invested $107 million and supported nearly 500 clients, resulting in more than 2,200 jobs, $1.6 billion in private and public investment, $600 million in startup company revenue, and 300 products commercialized. In addition, M-Corps technology programs have worked closely with more than 50 cohort companies that have, over those four years, raised more than $400 million in capital and earned more than $30 million revenue.
  + Funding for this initiative is through the State's 10-year, $5.3 billion Clean Energy Fund.
* 11/15/22 - The Federal Energy Regulatory Commission will hold the fifth meeting of the joint federal-state task force on electric transmission. The task force, established in June 2021, aims to identify barriers inhibiting planning and development of transmission infrastructure, which is key to facilitating the transition towards clean energy resources, and potential solutions to overcome them. Topics of discussion include regulatory gaps and challenges in the oversight of transmission development.
* 11/18/21 - Funded by the Infrastructure Investment and Jobs Act (IIJA) passed last year, the United States Department of Energy (DOE) announced $13B in new financing opportunities for those looking to expand and modernize the national electric grid.
  + Funding will be offered through the Grid Resilience Innovative Partnership (GRIP) and Transmission Facilitation programs as part of the larger Building a Better Grid Initiative, which will pair these investments with a $2.3 billion program to fund grid resilience investments by states and Tribes to reduce impacts from extreme weather and natural disasters. The Building a Better Grid Initiative is one of the central focuses of the Biden administration, promoting the identification of national transmission needs and working to invest more than $20 billion overall into grid modernization and the construction of long-distance, high-voltage transmission, and distribution systems.
  + GRIP will provide $10.5 billion across three affiliated programs to tackle grid flexibility and improvements to power resilience. These programs include:
    - Grid Resilience Utility and Industry Grants focused on transmission and distribution solutions to counter regional or communal hazards;
    - Smart Grid Grants targeting increased flexibility, efficiency, and reliability for the power system while increasing capacity, among others; and
    - the Grid Innovation Program, which offers targeted assistance to states, Tribes, local governments and public utility commissions for collaborative projects with electric grid owners and operators to improve grid resilience and reliability.
* Concept papers must be received first for the application process to begin with a 12/16/22 deadline, for the Grid Resilience Utility and Industry Grants and Smart Grid Grants. The Grid Innovation Program deadline is 1/13/23.
* The Transmission Facilitation Program funds will be revolving, allowing DOE to borrow up to $2.5B to assist large-scale new transmission lines, upgrade existing lines, and create microgrids in select areas. Capacity contracts will be used to commit to the purchase of up to 50% of the maximum capacity of transmission lines. Submissions for this program’s first phase are due by 11/30/22.
* 11/28/22 – 14-M-0094 and 18-M-0084 – DPS Staff to file a comprehensive Energy Efficiency and Building Electrification Report summarizing portfolio performance and posing questions soliciting feedback from stakeholders as the PSC directed in its 9/15/22 Order.
* 12/6/22 – NYSERDA is due to receive proposals for projects under Phase II of the Empire Building Challenge, a multi-phase initiative designed to support replicable and scalable low carbon retrofit approaches to achieving carbon neutrality in existing tall buildings. The first phase of this initiative was a competitive solicitation process to establish partnerships between NYSERDA and leading real estate owners with the ability to commit to carbon neutrality for one or more of their buildings in their portfolios by 2035. The second phase consists of funding demonstration projects that demonstrate different pathways to carbon neutrality for high-rise buildings.

**Con Edison Rate Cases**

Electric and Gas

* 4/8/22 – 22-E-0064 and 22-G-0065 - In **Con Edison’s Updated filed testimony**,
  + the Company’s proposed electric revenue requirement has decreased by approximately $161.1 million, and the Company is now seeking an overall **electric revenue requirement increase of $1.037788 billion**.
  + The Company’s proposed gas revenue requirement has decreased by approximately $100.5 million, and the Company is now seeking an overall **gas revenue requirement increase of $402.2 million**.
* An additional **$744.126M is sought for electric in RY2** and an additional **$614.899M is sought for electric in RY3**. The aggregate electric rate case increase over three years (2023-2025, inclusive) is **$ 5.217 Billion**.
* An additional **$205.124M is sought for gas in RY2** and an additional **$176.079M is sought for gas in RY3**. The aggregate gas rate case increase over three years (2023-2025, inclusive) is **$1.8 Billion**.

Electric and Gas Rate Schedule:

* November 16, 2022– Scheduled settlement meeting for Con Edison’s counteroffer.
* Staff’s next counteroffer has not been scheduled yet.
* Effective date for new rates has been suspended numerous times to reach settlement. Most recently, on Nov. 1, 20222, Con Edison agreed to further extend the suspension date by an additional 30 days until May 25, 2023. The Company would be “made whole” by recovering or refunding any revenue under-collections or over-collections, resulting from the extended suspension period.

Steam

* 11/7/22 – NYECC’s leadership meeting with Con Edison regarding Steam Rate Case and Petition regarding steam energy efficiency and Revenue Decoupling Mechanism
  + Discussion regarding Property Tax suggested Con Ed may seek retroactive compensation. Retroactive rate making is prohibited.
  + Steam AMI
  + Steam RDM
  + Decarbonizing steam system
    - Short term approach (within a several years rate plan) rather than a long-term approach (covering multiple rate plans), which is what is needed.
    - Piecemeal emphasis to improve upon percentage numbers of oil (40%) and gas (28%) buildings in moving to steam rather than coming up with a permanent decarbonization solution with higher percentages improvement
  + Core investments are in steam production, distribution and Information Technology
  + Steam Production
    - Continued fuel oil conversion from #4 to #2 oil
    - Demonstration Projects
      * Electric Boilers
      * Use of Low Carbon Fuels such as RNG and hydrogen
      * Use of Large-Scale Industrial Heat Pump
      * Carbon Capture
      * Deep Geothermal
* Steam Distribution – using waste heat from condensate to provide hot water to nearby buildings using fuel oil or natural gas that are hard to electrify
* 11/8/22 - 18-M-0084 Separate Con Ed Petition filed for steam specific energy efficiency projects and for a Steam Revenue Decoupling Mechanism
* 11/23/22 – Con Edison filed its Steam Rate Case
  + Filing letter states revenue requirement increase of $137M (a 34% increase in delivery and a 26% increase in the overall bill).
  + According to the Con Ed Accounting Panel, the primary drivers for the requested increases are
    - NYC property taxes ($73M or 53% of the increase) and
    - the sales forecast ($66M or 48% of the increase).
    - These two items are partially offset by a $26M decrease in the Company’s O&M and a $33M decrease in Income Taxes and Other changes.
* NYECC has served two sets of Interrogatories on Con Edison so far

Steam Rate Schedule:

* 12/15/22 – PSC Procedural Conference followed by Con Edison Technical Conference