

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AND
WORKER PROTECTION

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June 30, 2022

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HELD AT: HYBRID HEARING, COMMITTEE ROOM
CITY HALL

B E F O R E: Marjorie Velázquez, Chairperson

COUNCIL MEMBERS:

- Shaun Abreu
- Erik D. Bottcher
- Gale A. Brewer
- Amanda Farias
- Shekar Krishnan
- Julie Menin
- Chi A. Ossé
- Linda Lee

A P P E A R A N C E S (CONTINUED)

Noah Meixler
Senior Policy Analyst to the
Committee on Consumer and Worker
Protection

Steven Ettannani
Executive Director for External Affairs
Department of Consumer and Worker
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Seth Berkman
Energy Policy Adviser
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Kyle Kimball
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Crystal Butler
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Brianna Carbajal
State Legislative Manager
WE ACT for Environmental Justice

Frederic Goldner, C.E.M.
The Association of Energy Engineers

Anthony Rogers-Wright
Director of Environmental Justice
New York Lawyers for the Public Interest

2 SERGEANT AT ARMS: Good afternoon, and welcome to
3 the New York City Hybrid hearing on consumer and
4 worker protection. At this time, please turn all
5 electronic devices to vibrate or silent mode. For
6 those of you who may be viewing on Zoom, if you wish
7 to submit testimonies, you may do so at
8 testimony@council.nyc.gov. I repeat
9 testimony@council.nyc.gov . Chair, we're ready to
10 begin.

11 [GAVEL]

12 CHAIRPERSON VELÁZQUEZ: Good afternoon. I'm
13 Councilmember Marjorie Velázquez, Chair of the
14 Committee on Consumer and Worker Protection and I'd
15 like to welcome you to our oversight and legislative
16 hearing today on Con Edison price increases.

17 The purpose of our hearing today is to discuss
18 recent issues city residents have experienced in
19 paying their Con Ed bills, and to hear a legislative
20 package intended to improve accountability and
21 transparency over utilities. Many city residents
22 experienced dramatic and unexpected increases in
23 their Con Ed bills in January 2022. According to Con
24 Ed, the reason for this increase was a spike in the
25 cost of energy, which rose due to global conflicts

2 and an increased demand for heat during the colder
3 months. While Con Ed's explanation for this price
4 increase is true, it is important to highlight the
5 consequence of this price increase. Many city
6 residents are still dealing with the economic impact
7 caused by the pandemic. The New York City
8 Independent Budget Office predicts that the city will
9 not recover all the jobs lost in 2020 until 2025.
10 That's over 400,000 New Yorkers. I'll emphasize one
11 more time, it's over 400,000 New Yorkers, and they
12 are 60 days or more behind on Con Ed payments. This
13 totals over \$800 million, and utility arrears in New
14 York State have increased by over \$1 billion since
15 the start of the pandemic. While the price increases
16 that occurred in January 2022 may have been caused by
17 forces outside of Con Ed's control, I look forward
18 today to hearing from Con Ed about what they could
19 have done differently and how many city residents
20 entered utility debt this past January. A moratorium
21 on utility shut offs was enacted during the pandemic
22 to protect customers unable to pay their bills.
23 However, that moratorium expired on December 21st,
24 2021. I therefore also look forward to this hearing
25 given the strained financial situation that many city

2 families are experiencing, whether Con Ed has sent
3 notices to families about impending utility shut
4 offs, and if Con Ed is prepared to shut off utilities
5 for families unable to pay their Con Ed bills. My
6 colleagues and I have a number of other concerns that
7 will be discussed at our hearing today. I'm
8 concerned for Con Ed's process for notifying
9 residents about impending price increases, because
10 it's insufficient. I am proud that today we're going
11 to hear my bill, Resolution 174 which calls on Con Ed
12 to improve communications with city residents about
13 increases in utility costs. Con Ed has a robust
14 notification system to alert city residents before
15 major storms have the possibility of power outages.
16 The purpose of this notification system is so
17 residents have the necessary time and information to
18 prepare for potential outages. Given that many
19 residents were shocked to see the increase in their
20 utility bills this past January, Con Ed could have
21 clearly done more to preemptively notify city
22 residents of this expected increase and what steps
23 residents could take to decrease the cost of their
24 bills. I'd like to hear Con Ed explain when they
25 first learned that the likely spike in consumers'

2 bills this past January, and how the utility notified
3 customers about this increase. This summer, energy
4 rates are likely to be very high, and Con Ed has a
5 has predicted an increase of 11.5% utility bills. I
6 look forward today to hear what changes Con Ed has
7 made to its notification systems and how it will be
8 implemented ahead of any potential utility prices
9 this summer. While millions of city residents are
10 Con Ed customers, the city unfortunately has little
11 oversight over Con Ed. The legislative package we
12 are hearing today will enhance the city's oversight
13 over utilities, making Con Ed more directly
14 accountable to their city customers.

15 Intro 372, a bill sponsored by the Speaker by
16 request of Borough President Levine, would establish
17 an office of the utility advocate that can work
18 directly with city residents to make their voices
19 heard in Albany, so that Con Ed and other public
20 utilities cannot ignore the struggles of their
21 biggest customer base. Resolution #162 by
22 Councilmember Lee would call on our state legislators
23 to set up a percentage cap that an annual rate
24 increase case cannot exceed, which would enhance
25 consumer protections by ensuring a utility cannot

2 request a high rate case. Resolution #172 by
3 Councilmember Salamanca calls on New York State to
4 increase the number of Commissioners on the Public
5 Service Commission, and give the mayor the power to
6 appoint two commissioners. Resolution #173 by
7 Councilmember Ung calls on the governor to expand
8 financial relief programs to residents struggling to
9 pay their utility bills.

10 The communities experiencing the most significant
11 impact of rising utility prices are low income
12 communities and communities of color, who have been
13 hit hardest by the pandemic. This Resolution
14 therefore calls on the state to take further actions
15 to ensure city families are not plunged into further
16 debt. I'm proud of the legislative package we are
17 hearing today which will improve the financial
18 welfare of city families and increased city
19 involvement in utility related issues. I look
20 forward to hearing from the administration, Con Ed,
21 and advocacy organizations about their perspective on
22 the legislative package and further steps this
23 Council should take to ensure the consumers of the
24 city are rightfully protected.

2 With that said I'd like to thank my central staff
3 team, Senior Counsel Stephanie Jones, Senior Policy
4 Analyst, Noah Meitzler And my Chief of Staff
5 Alexandra Sand for their hard work.

6 I will now turn it over to Councilmember Lee to
7 deliver an opening statement.

8 COUNCILMEMBER LEE: Good afternoon, Chair
9 Velasquez and colleagues. Thank you so much. It is
10 my pleasure to speak on Resolution 162 which calls
11 for amendments to the New York State Public Service
12 Law. And I'm privilege that this is part of a larger
13 legislative package involving the Speaker, Chair
14 Velazquez, and Councilmember Salamanca and on the
15 average New Yorker is already fighting through the
16 pandemic, inflation, gas prices, and supply chain
17 shortages. Our families or constituents should not
18 have to worry about keeping the lights on and water
19 running. Resolution 162 calls for the Public Service
20 Commission to do what's right: cap yearly increases
21 to utility rates and stop companies from passing on
22 the bill for outdated and insufficient infrastructure
23 on their consumers. I want to thank Speaker Adams
24 and Chair Velazquez for their leadership. And I want

2 to thank my colleagues for their support. Thank you
3 so much.

4 CHAIRPERSON VELÁZQUEZ: I'd also like to
5 acknowledge Councilmember Farias, who is present with
6 us today. And I'll turn it now to Noah Meixler.

7 MODERATOR MEIXLER: Thank you Chair. I am Noah
8 Meixler, Senior Policy Analyst to the Committee on
9 Consumer and Worker Protection, and I will be
10 moderating this hybrid hearing.

11 Before we begin, I'd like to remind everyone
12 joining virtually that you will be on mute until
13 you're called on to testify, at which point you will
14 be unmuted by the host. Please listen for your name
15 to be called as that will periodically be announcing
16 who the next panelists will be. At this hearing, we
17 will first be inviting testimony from the Department
18 of Consumer and Worker Protection, followed by
19 members of the public.

20 At this time, I will administer the affirmation
21 to the administration. Please raise your right
22 hands.

23 Do you affirm to tell the truth, the whole truth
24 and nothing but the truth before this committee and
25 to respond honestly to Councilmember questions?

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2 MEMBERS OF ADMINISTRATION: [ALL] I do.

3 MODERATOR MEIXLER: You may begin.

4 DIRECTOR ETTANNANI: Good afternoon Chair

5 Velasquez and members of the committee. I'm Steven
6 Ettannani, Executive Director for External Affairs at
7 the Department of Consumer and Worker Protection or
8 DCWP. I'm joined today by Seth Berkman, Energy
9 Policy Adviser in the Mayor's Office of Climate and
10 Environmental Justice.

11 Thank you for the opportunity to testify today
12 before the Committee on Introduction 372 relating to
13 an Office of the Utility Advocate.

14 Utility bills are a reality for all New Yorkers.
15 And when rates rise, there are consequences to
16 monthly and household budgets. When this happens,
17 individuals, families and small businesses are forced
18 to find a way to make ends meet, often at the expense
19 of something else. New Yorkers cannot afford to have
20 their financial health continually impacted by ever-
21 increasing rates from utility providers. For those
22 reasons the administration welcomes today's hearing
23 to hear from the utilities and better understand why
24 certain rates for our residents had been rising
25 again. Utilities such as electric gas, steam, water,

2 telecommunications, and cable are regulated by
3 distinct entities depending on the types of services
4 that are being provided. Their primary regulator in
5 New York State is the Department of Public Service or
6 DPS, which has broad mandate to ensure access to safe
7 and reliable utility service at just and reasonable
8 rates. As a regulator, DPS facilitates consumer
9 complaints charged against service providers through
10 its office of consumer services or OCS. According to
11 publicly available information, OCS annually handles
12 a quarter of a million consumer contacts of which
13 30,000 are referred to service providers for
14 investigation and reply. It utilizes a quick
15 resolution system to provide consumers with a timely
16 response to their complaint within 14 days, reduce
17 the number of complaints charged to a service
18 provider, and ensure that office staff have time and
19 resources to handle more difficult cases. DPS,
20 through the Public Service Commission or PSC, is also
21 charged with reviewing utility rate cases. These
22 cases are a formal process by which a regulated
23 entity... or a regulated utility rather is allowed to
24 request an increase in rates. These utility rate
25 cases are the primary instruments for regulating

2 these industries, and interested persons such as
3 public interest groups, representatives of customers
4 and local municipalities may intervene in a utility
5 rate case before the PSC.

6 In the case of New York City, the Mayor's Office
7 of Climate and Environmental justice advocates for
8 consumer interests and priorities before the PSC
9 during utility rate cases. The city's primary
10 strategic objectives and Con Edison's current rate
11 case are to limit rate increases ensure equitable
12 investment in historically underserved communities,
13 promote the city's climate goals, and enhance
14 protections for vulnerable residents. At the same
15 time, the state has an office at the Department of
16 State dedicated to representing consumers before the
17 PSC known as the Utility Intervention Unit, or the
18 UIU. The UIU analyzes filings, submits testimony,
19 engages in settlement discussions, and participates
20 in evidentiary hearings and the PSCs proceedings.
21 Through this work, the UIU seeks to ensure that
22 consumer concerns are considered at utility rate
23 cases, and in policy related matters across New York.

24 Turning to today's legislation, Introduction 372
25 would create an Office of the Utility Advocate at

2 DCWP. The office would refer utility-related
3 complaints to appropriate entities, contact utilities
4 to resolve complaints, testify before the PSC and in
5 other public hearings, and assist consumers with
6 accessing financial aid to cover utility costs, and
7 conduct outreach and reporting around utilities.

8 This administration has been committed to serving
9 New Yorkers across the five boroughs. In fact, the
10 city already refers complaints and inquiries
11 regarding utilities to the appropriate regulatory
12 agencies, utility companies, or city agencies of
13 jurisdiction. In the last 10 months alone, the
14 city's 311 system has fielded close to 80,000
15 complaints and inquiries on these matters. The city
16 through the Human Resources Administration or HRA
17 regularly connects New Yorkers with financial aid
18 such as the federally funded heat program to help New
19 Yorkers pay their utilities. In the past 10 months,
20 HRA has received over 11,000 consumer referrals on
21 utilities from 311. And as my colleague at the
22 mayor's office can speak to, the city regularly
23 testifies and advocates on behalf of New Yorkers at
24 utility rate cases before the PSC.

2 It remains a priority of the administration to
3 get stuff done for New Yorkers, both efficiently and
4 effectively. There are already existing city and
5 state efforts to serve utility customers. As we
6 continue our conversations with Council to work
7 together on the specifics of this bill during the
8 legislative process, we want to ensure that any final
9 proposal works in harmony with those efforts and
10 avoids undue redundancies. Of course, we're also
11 eager to learn more about the experiences from your
12 constituents as customers of these utilities, to help
13 inform what more the city can do to meet their needs.
14 I would like to thank the Council for today's
15 hearing, which speaks to issues that affect us as New
16 Yorkers and for the opportunity to testify today. I
17 look forward to any questions you may have.

18 CHAIRPERSON VELÁZQUEZ: Thank you. And I see in
19 your testimony, you say you're... the 311 system had
20 around 80,000 complaints in the last 10 months. Can
21 you tell us about, starting January 2022, how many
22 have come in about the increase due to Con Ed?

23 DIRECTOR ETTANNANI: Thank you for the question
24 Chair. I don't have specifics broken down by, you
25 know, specific to Con Ed inquiries. I can certainly

2 circle back with you, and circle back with our folks
3 at 311 to get you that answer. But I do want to note
4 that the 80,000 are just what come into the 311
5 system. There's also a tremendous amount...
6 approximately a quarter million inquiries that come
7 to the PSE directly, to the state that may not
8 comport, or there may not be overlap with that 80,000
9 number for 311.

10 CHAIRPERSON VELÁZQUEZ: Is there a way that -- on
11 top of getting the 311 -- if you can get the other
12 ones from PSC, so we can have a more defined total as
13 to folks that have been calling and that have been
14 impacted since January 22, about these increases?

15 DIRECTOR ETTANNANI: Sure. So like I said, I'm
16 happy to circle back with folks at 311 for the city-
17 wide, specific numbers, and then also can connect
18 with folks at the state level to help gather that
19 information?

20 CHAIRPERSON VELÁZQUEZ: How do you typically
21 handle those complaints?

22 DIRECTOR ETTANNANI: So for us -- and thank you
23 for the question, because it really speaks to the
24 heart of our position on this bill -- is that DCWP
25 does not have inherent jurisdiction on these matters.

2 As such, when any utility-related complaint comes
3 through 311 and lands at DCWP, it's a mistaken
4 referral. We're talking about 14 or so since the
5 beginning of the year. I think last year in totality
6 and calendar year was just over 30 that landed at
7 DCWP. When that happens, our consumer services
8 division makes the appropriate referrals pursuant to
9 what the contours of the complaint are that come to
10 311. So as I said, there are 80,000 inquiries that
11 come in to 311, only 13 of them have fallen to DCWP,
12 and those are mistaken referrals.

13 CHAIRPERSON VELÁZQUEZ: That's terrible. When
14 Con Ed alerts customers about upcoming pricing
15 increases, does DCWP take any action to help ensure
16 city residents are aware and can prepare for these
17 price hikes?

18 DIRECTOR ETTANNANI: So as a general matter,
19 whenever there is a rate increase, there are
20 significant impacts to New Yorkers. As I alluded to,
21 we have an Office of Financial Empowerment at our
22 agency. We have a vested interest within our
23 mission, and as a New Yorker, that, you know,
24 everyone deals with a utility. It's a part of life.
25 It impacts your financial well-being, especially if

2 you're on a fixed budget. As I mentioned in
3 testimony, there's... if that increase... if there's
4 a rate increase, that means that you may have less to
5 spend on another matter. My colleague, Seth, in the
6 mayor's office, can speak specifically to the mayor's
7 office, his advocacy on the Con Ed increases, and
8 I'll turn it over to Seth.

9 MR. BERKMAN: Thank you, Executive Director. And
10 thank you Chair for the question. I think
11 specifically your question was around communications
12 from Con Edison when there are rate increases. The
13 utility is required by the state to provide
14 notifications to customers when there are rate
15 increases. Beyond that, I think it'd be best to talk
16 to Con Ed on the nature of... of those communications
17 specifically. If you have further questions about
18 the city's involvement with the rate case, I'm happy
19 to... to address those.

20 CHAIRPERSON VELÁZQUEZ: So as far as you know,
21 the language that they have to use: Is there a
22 specific language? Or literally, just, "Hey, heads
23 up, there's a rate increase," and I'm going to only
24 send, and it will be at 12:05 in the morning so that
25 it'll be buried somewhere in your email chain?

2 MR. BERKMAN: Yeah, that's a great question.

3 And, you know, to your point, it is important that
4 customers are well-informed, not just sort of last
5 minute, not... not in a hidden way, but informed
6 clearly and enough in advance that they can make the
7 adjustments they need, if necessary, to their budgets
8 to... to manage their household budgets. My
9 understanding is that the utility needs to publish
10 their rate increases well in advance, including in
11 public forums like... like newspapers. I don't know
12 the specifics on how they communicate to customers in
13 terms of through text messaging that they use for
14 emergencies, like you mentioned in your statement,
15 and whether they communicate to customers over email
16 about the rate increases. I think those are great
17 ideas, and I would encourage you to task Con Edison
18 about the specifics for that. I don't think I can
19 speak in more detail about that.

20 DIRECTOR ETTANNANI: And in Chair, if I may, I
21 would be remiss not to mention that the underlying
22 legislation does contemplate an outreach and
23 education component. I think that has certainly has
24 merit, and it's something that our agency is happy to
25 work with you all within the legislative process to

2 ensure that we're meeting New Yorkers and kind of
3 amplifying when these decisions are made and making
4 sure folks know about it.

5 CHAIRPERSON VELÁZQUEZ: Thank you. And before I
6 continue asking questions, I want to recognize
7 Councilmember Julie Menon, Councilmember Abreu,
8 Councilmember Ossé, and Councilmember Bottcher. They
9 have all joined us. Going back then, Intro 372
10 defines utility broadly to include many types of
11 public utilities, including those at least partly
12 overseen by the FCC, like cable TV. Does the
13 department already have established relationships
14 with the FCC for complete referrals and for providing
15 feedback if necessary?

16 DIRECTOR ETTANNANI: Thank you for the question
17 Chair. We do not. This is really a matter of
18 jurisdiction at the end of the day. As I alluded to,
19 you know, the Introduction has many components that
20 have... that have great merit, but we do have concern
21 about creating a referral process that may in
22 function lead to a level of... another layer of
23 bureaucracy for consumers to get between a complaint
24 and a resolution. I know our law department in the
25 city is looking and reviewing the bill actively about

2 any potential legal concerns or preemption matters.

3 And for us as a consumer protection agency, our first
4 and foremost goal is to ensure that we are actively
5 working to help consumers, and being a repository for
6 complaints and then a referral source may not be the
7 best solution in those matters.

8 CHAIRPERSON VELÁZQUEZ: Got it. I'm checking in
9 to see if any of my colleagues have questions at this
10 time. Chi? Councilmember Ossé, you can go ahead.

11 COUNCILMEMBER OSSÉ: Thank you Chair Velázquez.
12 What is DCWP doing to provide relief or resources to
13 people who are struggling to pay their utilities?
14 And to follow up after that, what outreach is being
15 done by DCWP to let New Yorkers know about programs
16 such as HEAP? And if you answered these questions
17 previously, my apologies, but...

18 DIRECTOR ETTANNANI: Thank you so much for the
19 question. It's really a great one and really speaks
20 to another area of this bill, where we find a lot of
21 merit, in the sense of bringing financial resources
22 to those impacted by rate increases. As you may
23 know, Councilmember, our agency houses the Office of
24 Financial Empowerment in New York City. These are
25 free resources to New Yorkers, whether you live or

2 work here. We have a dedicated team and contract
3 with trained counselors to ensure that they have...
4 are empowered to... or that clients are empowered to
5 save and manage any debts that they may have. In
6 that sense, we're always doing outreach to New
7 Yorkers to make sure that they know that these
8 Financial Empowerment Centers exist, that they're
9 free, and that they're available. And New Yorkers
10 can reach and set up appointments by contacting
11 nyc.gov/talkmoney, where they can set up an
12 appointment and see where their closest center may
13 be.

14 In regards to HEAP, and specifically, HRA has
15 trained customer staff that are well-versed in
16 navigating those programs. Right now, if you call
17 311, and have a question about HEAP, you will be
18 directed to HRA. That said, and as I mentioned to
19 the Chair earlier, I think there is room to provide
20 some wraparound services and ensure that there is
21 connectivity with those city agencies that are
22 already involved and have expertise in this space.

23 COUNCILMEMBER OSSÉ: And what in particular does
24 this outreach look like? Is it social media? Is it
25 door-to-door?

2 DIRECTOR ETTANNANI: In terms of our Financial
3 Empowerment Center outreach, there have been paid ad
4 campaigns over the years where you'll see, you know,
5 ads in the subways, you know, on different sidewalk
6 furniture, and things like that, as well as a
7 dedicated team at DCWP, our community affairs team,
8 that are out in the field. We also of course
9 leverage the mayor's office Community Affairs Unit,
10 their Public Engagement Unit. And, you know, to
11 the... again to the merits of the underlying bill. I
12 think this, you know, the Speaker's bill certainly
13 presents an opportunity for us to enhance and direct
14 our outreach to those that are impacted specifically
15 by rate increases are those just in general that are
16 having trouble making ends meet because of utility
17 costs.

18 COUNCILMEMBER OSSÉ: And does DCWP assist with
19 folks that are applying for these programs? And if
20 so, how?

21 DIRECTOR ETTANNANI: So right now, our counselors
22 do not have specific training on these specific
23 programs. In the case of HEAP, HRA has that
24 training, and they get those services through the
25 folks at that agency. You know, depending on, you

2 know, how programs are rolled out in the future,
3 there's certainly opportunity for counselors to be
4 trained, and programs to be enhanced to bring further
5 impact and outreach to our communities.

6 COUNCILMEMBER OSSÉ: And is this assistance
7 provided in languages other than English?

8 DIRECTOR ETTANNANI: I would venture to say yes,
9 of course, to that. I think all of our... all city
10 services are brought... you know, pursuant to local
11 law in the designated languages of the city, and, you
12 know, ultimately, I would defer to HRA in terms of
13 what and how they provide those language access
14 services to their clients.

15 COUNCILMEMBER OSSÉ: And the last question that I
16 have is what is the number of complaints on utility
17 increases to DCWP?

18 DIRECTOR ETTANNANI: So we do not receive
19 complaints directly on rate increases, because it's
20 not under our jurisdiction. The city itself receives
21 80,000 inquiries on utilities broadly, I've committed
22 to the Chair that I would provide a more discreet
23 breakdown on what that looks like after talking about
24 my colleagues at 311.

2 But right now, among those 80,000, they get
3 referred out in different ways. For example, if
4 someone has an issue with their... with their water
5 bill, those go to DEP. In some cases, they're
6 connected. You know, depending on the complaint,
7 they may be connected directly to a utility like Con
8 Ed. And other cases, they may be referred to the
9 PSE. It really depends on the contours of the
10 complaint and the issue that the consumer or New
11 Yorker really has.

12 COUNCILMEMBER OSSÉ: Thank you.

13 CHAIR VELÁZQUEZ: I have Councilmember Farias
14 then Councilmember Abreu.

15 COUNCILMEMBER FARIAS: Hi, folks, how are you? I
16 just have a couple of... a follow up question to
17 Chair Velázquez's question around notifications of
18 increases, and what we've seen, or any expected
19 increases. You know, as the city we're consistently
20 using fiscal forecasting, to kind of see the day-to-
21 day, but also the quarter-by-quarter and annual
22 increases overall, on what we'll be seeing. Have we
23 seen at DCWP, or from Con Edison, a way to start with
24 the fiscal forecasted information, start notifying
25 folks in anticipation of increases?

2 DIRECTOR ETTANNANI: So it's a great question,
3 and thank you for it.

4 Just given our current structure and our
5 visibility and jurisdiction on the work, it's not
6 something that we particularly have visibility over.
7 My colleague may have a little bit more information
8 about, you know, how these cases kind of run and when
9 and how they may be resolved and the timing of that.
10 But I think ultimately, you know, to the to the
11 legislation's intent, there is room for increased
12 outreach and education here. If you know, once a
13 rate case is decided, I think it's pertinent and
14 needed for agencies to fulfill their duties, whether
15 it's a consumer protection agency, or a colleague
16 agency, whether it's HRA or otherwise, to meet New
17 Yorkers where they are and let them know what's
18 coming down the pike. I don't know if... if my
19 colleague wants to chime in.

20 MR. BERKMAN: Yeah, thank you for the opportunity
21 to chime in. And thanks for the question.

22 I think the only thing that I would add, and
23 it's... it's not my way of saying that we could
24 provide directly, like forecasted utility increases
25 or things of that nature. But I would just note that

1 with respect to the current rate case, it's... it's,
2 we're currently in the process of the rate case right
3 now. I don't think it would be possible to provide a
4 forecast currently for what the ultimate rate
5 increase is going to be, because it's still being
6 decided. So what will likely happen between now and
7 the end of 2022 is continued discussions between the
8 state, the utility itself, other parties, including
9 the city, which uses this opportunity to advocate on
10 behalf of... of New Yorkers, to try to come to a
11 rate... a joint proposal that that we can all be
12 happy about, and that works well for New Yorkers.
13 And that's not likely to be in place until late in
14 2022. But once it is, I think it'd be the utility's
15 responsibility to make that public so that people can
16 incorporate that information into their plans.

18 COUNCILMEMBER FARIAH: Sure. I appreciate that
19 answer. I only ask around the forecasting is...
20 because we... I think most of us in government, or at
21 least in finance, we all kind of kind of anticipate
22 seeing how global politics are coming down the pike
23 or, you know, engaging with different levels of
24 government and how that can actually... we see it
25 before, I think a lot or can make estimates about

2 what's going to happen. But the average person is
3 not paying attention to how global politics is
4 impacting their Con Edison bill, right? And so I
5 think if we have those tools, even if it's just a way
6 in our system to say... or... or a way we communicate
7 to say, even at the bottom of a bill or something,
8 and then have this, you know, for Con Edison to do,
9 potentially, just like, "Hey, here's what we're...
10 what we're seeing," but I... I guess, for me, it's
11 more like, I don't expect us to say, "We think your
12 bill is going to be \$20 more," but more so to kind of
13 help bridge the gap of making these connections.
14 Because ultimately, our residents are concerned about
15 increases because they're notified 30 days before
16 their bill is going to dramatically change, versus we
17 can see it potentially a quarter before or two
18 quarters before. And I think residents will feel
19 more comfortable of us kind of saying, "Hey, we're
20 going to see an increase in four months." And then
21 three months into that say, "Actually, it's not as
22 bad as we thought. Here it is." Including people in
23 that process is kind of like the proactive government
24 we want to start seeing. It's the only reason why I
25 asked, but I will make sure I push a little bit

2 harder on Con Ed in the future and see how else we
3 can help folks. Thank you, Chair.

4 CHAIRPERSON VELÁZQUEZ: Councilmember Abreu?

5 COUNCILMEMBER ABREU: Thank you, Chair. With
6 respect to Intro 372, you were mentioning that there
7 are potential preemption issues. Could you speak to
8 that again?

9 DIRECTOR ETTANNANI: So, I would have to defer to
10 our law department. Just to be very clear, they're
11 actively reviewing the bill. So there isn't a
12 determination one way or another. What I was...
13 (crosstalk)

14 COUNCILMEMBER ABREU: So it's fair to say that
15 there's currently not a preemption determination at
16 this point?

17 DIRECTOR ETTANNANI: What I'm prepared to say is
18 that the law department is reviewing the bill for...
19 for...

20 COUNCILMEMBER ABREU: So at this point, you have
21 no determination or not... whether or not this bill
22 is preempted, right?

23 DIRECTOR ETTANNANI: That's right. I would defer
24 to the law department.

25 COUNCILMEMBER ABREU: Thank you.

2 CHAIRPERSON VELÁZQUEZ: Okay, well, I'll turn it
3 over to the moderator, Noah.

4 MODERATOR MEIXLER: thank you. We will now turn
5 to public testimony. I'd like to remind everyone
6 that, unlike our typical council hearings, we will be
7 calling individuals one by one to testify. For
8 panelists joining this hearing virtually, once your
9 name is called a member of our staff will unmute you
10 and the Sergeant at Arms will set a three-minute
11 timer and give you the go ahead to begin. Please
12 wait for the sergeant to announce that you may begin
13 before delivering your testimony.

14 I would like to now welcome Kyle Kimball to
15 testify, Kerri Ann Kirschbaum, and Stephanie Merritt,
16 will be joining Kyle Kimball for Councilmember Q&A of
17 Con Edison. Kyle, you may begin.

18 SERGEANT AT ARMS: Time starts now.

19 VICE PRESIDENT KIMBALL: Good morning. Thank
20 you. My name is Kyle Kimball, Vice President of
21 Government, Regional and Community Affairs. I'm
22 joined by my colleagues Kerri Kirschbaum, Director of
23 State Regulatory Affairs, and Stephanie Merritt,
24 Director of Tax. Thanks for giving us an opportunity
25 to talk about energy bills and hopefully shed light

1 on what we are seeing as a nationwide and global
2 trend as it plays out here in New York City. We also
3 hope to show concrete steps the City Council can take
4 to lower energy bills.
5

6 There are three parts to everyone's energy bills,
7 the cost of energy supply, the cost of the delivery,
8 and the taxes associated with both. We'll go into
9 each of these more detail, but at a high level, taxes
10 on energy are a major driver of bill increases.

11 These are taxes that the city charges utilities for
12 the energy infrastructure itself. Over the last 20
13 years, we've seen a 325% increase in taxes that the
14 city charges, which has far surpassed the rising cost
15 of energy and/or its delivery. Now a lot of focus
16 has been also on shareholder returns and the rate
17 cases, but it's important to note that customers pay
18 more money in taxes and fees to the city than they do
19 to investors. The city is the single largest
20 beneficiary of taxes and fees on bills than any other
21 single entity, and is one of the largest drivers of
22 the current rate case. We would ask the city to take
23 a hard look at redoing this process, putting more
24 transparency around that, and making sure that the
25

1 cleaner transition we all want to have does not have
2 a large tax and a regressive tax associated with it.

3
4 In January last year, we saw an issue with rising
5 bills. And there's two... really three components to
6 that. As I said there's a supply charge, which is
7 really the amount of... the amount of money that a
8 power generator charges for the supply of Con Edison
9 to deliver that to its customers. Con Edison does
10 not generate electricity, nor do we drill for natural
11 gas. Most electricity however in the city comes from
12 natural gas, and so when the price of natural gas
13 increases, which it has because of geopolitical
14 events, the cost in turn gets passed on to customers.
15 And it gets magnified if they're using more energy
16 during a cold weather spell.

17 The second is a delivery charge. This... this is
18 a portion of the bill that reflects the costs of
19 building operating the energy system itself. It also
20 reflects investments in energy efficiency, to help
21 our customers control their energy uses and control
22 their bills, as well as capital investments to
23 improve our resiliency, and adaptation for climate
24 change and decarbonisation. This is a part of the
25 bill that is highly regulated. It is negotiated with

2 the Public Service Commission, as Seth Bergman just
3 talked about. It is part of a transparent 11-month
4 process that gets negotiated and that's currently in
5 progress. One thing to note that happened in January
6 is that the cost increases that we saw related to
7 supply increases coincided with our filing of that
8 rate case. So there's a big misconception that our
9 rate case that was filed in January, was a unilateral
10 increase in rates that caused an increase in bills.
11 The two are coincidental, they are not related. And
12 we cannot unilaterally increase prices without a
13 long, transparent process that's governed by the PSC.

14 And then lastly, Con Edison is the largest single
15 taxpayer paying \$2.5 billion to the city. These are
16 not taxes on buildings. These are taxes on the pipes
17 and wires in the street that deliver gas and steam to
18 our customers. And these are costs that are
19 reflected in the delivery charges our customers pay.
20 Altogether about 30% of our bill is the result of
21 government taxes. So we have committed to... we are
22 committed to affordability for our customers require
23 assistance and Kerri Kirschbaum can go into a number
24 of the programs later around affordability, but they
25 all include deferred tax payment agreements, payment

1 extensions, energy affordability program discounts
2 for low income customers, as well as the recently
3 announced arrears relief program that Kerri can go to
4 in more detail and during the Q&A.

5
6 The last thing I'll say is it's important to note
7 that our investment plan re-filing that we filed in
8 January is really the key to helping the city make
9 the decarbonisation transition. And there's a lot of
10 good programs in there that are really groundbreaking
11 programs and innovative proposals to accelerate our
12 transition to a clean, renewable, and resilient
13 future, as well as our recently expanded clean energy
14 commitment. We want to deliver this clean energy
15 future to our customers, and we're doing everything
16 we can to do that. Furthermore, in recognition of
17 the city and state's ambitious clean energy goals, we
18 propose a plan that no longer is focused on growing
19 natural gas system, and places the financial benefit
20 of renewable energy investments in the hands of our
21 lowest income customers.

22 But on the issue of property taxes, one of the
23 biggest impacts I think the city Council can do today
24 is really take a hard look at the... at the taxes
25 that it controls. And these are one of the issues we

2 would focus on issues of the City Council actually
3 controls in partnership with us and the utilities to
4 actually really focus on bringing down costs.

5 New York City property taxes have increased from
6 about \$500 million in the year 2000 to more than \$2
7 billion today, which is a 300% increase. And this is
8 something we have no input on. This is something we
9 accept through litigation. And New York is unique in
10 the way in that it charges assessed property taxes
11 for energy infrastructure investments. For example,
12 if the company added a \$2 billion infrastructure
13 investment to the city, our customers would pay an
14 annual property tax of approximately \$100 million on
15 that infrastructure investment. This current
16 property tax framework raises the costs of the Clean
17 Energy Transition and serves only really to compete
18 with the necessary investment in energy
19 infrastructure that we really need to meet our
20 nation's and our region's energy needs.

21 A few comments on the proposed Office of the
22 Utility Advocate: This would obviously create a new
23 utility advocate within the Department of Consumer
24 Worker Protection. And, as was said, I think I could
25 not really say it better than the person who

2 testified before. It's a really big concern that we
3 would create another agency that gets between a
4 customer and the resolution of their complaint.
5 There are... there are a number of agencies and a
6 number of different organizations that are doing
7 almost everything that is included in this bill. And
8 so without going into too much detail because I know
9 we're short on time, we feel like this is
10 unnecessarily duplicative. It is not really going to
11 achieve the goal of really focusing on bringing down
12 costs.

13 Having said that, we do agree that we could work
14 with the city to improve communication on rate
15 increases through the rate process... through the
16 investment plan process, the rate case process and
17 that is something we could we would be happy to
18 partner with the city.

19 So... and finally, we really need to ensure that
20 all the policies to accelerate our transition off
21 fossil fuels really require building an electric grid
22 that is resilient and reliable. And we really need
23 to be rowing in the same direction to meet these
24 clean energy goals, and to find a common
25 understanding of this important point. I should add

2 that anyone can add as a rate case intervener, and
3 the New York City... and the New York State Public
4 Service Commission has held multiple public statement
5 hearings on this topic as we go into the fall in the
6 process, and we look forward to working with this
7 Council and our stakeholders on this important topic
8 and are happy to answer questions that you have.

9 CHAIRPERSON VELÁZQUEZ: Hi, and welcome. I'm
10 going to start off with a series of questions. And
11 then I'm going to pass it alongside to our other
12 Councilmembers that are here. And we are also
13 welcomed by Councilmember Krishnan.

14 All right, so when did Con Edison first learn of
15 the expected increases in customer bills that
16 occurred in January 2022?

17 VICE PRESIDENT KIMBALL: So we set out a... So
18 to answer your question, we sent out a note in the
19 fall that indicated that we were predicting that
20 commodity costs were going to be higher for the
21 winter season, and it focused on energy efficiency
22 tips that a customer can use to consume energy costs,
23 but it was something we sent out in the fall, that
24 was done in bills. And that's something we are

2 regulated to do by the PSC, and it's done in the form
3 of social media, a press release.

4 Now what happened in January in particular, was
5 that we saw a spike in the price of energy, and again
6 the cost of natural gas, which in turn increases the
7 cost of electricity, because about 90% of the
8 electricity in New York City is made by natural gas.

9 And... But that is not something we learned... that
10 is something we learned in real time. That is not
11 something we learned months in advance. And we...

12 And because every person is done on a different
13 cycle, so there is not one moment in time where
14 everyone is measured in terms of their electricity
15 usage and the bill that goes out. And so it is not
16 something you can really forecast very well in

17 advance, and to a point where you could give
18 somebody... I heard somebody say, "Give them a month

19 notice." I mean, as I said, we do we did give a
20 notice in the in the fall that we thought energy

21 prices were going to be some percentage higher, in
22 the same way that we have talked about summer prices

23 could be a little higher this summer. But it is not
24 something we can necessarily send out to specific

25 customers in advance that their specific bill is

2 going to be a certain percentage higher, you know, in
3 a month or three weeks. We do however, send out
4 notices to people who are on our Smart Meter
5 infrastructure system. So this is... these are
6 people who have meters that are read remotely, which
7 is increasingly most of the city, something we're
8 working our way through the city. We do give them
9 alerts, and did give them alerts in -- and these are
10 through texts, and... or however they have chosen to
11 receive the information -- that their energy usage is
12 high, and could lead to a high bill. So that is
13 something that is sent to customers. But every...
14 it's... there's not a one-size-fits-all solution
15 here, because every customer is different, has a
16 different fact pattern, has a different uses pattern,
17 is read at a different period of time. And so it's
18 not something you can have a blanket statement that
19 if we had sent something out in December to everyone,
20 it would have been to true, because there are some
21 people whose bills were lower.

22 CHAIRPERSON VELÁZQUEZ: Okay, so a couple of more
23 questions. I just want to dig down a little bit.
24 You said fall of last year, right? 2021. And a
25 press release and socials is what you indicated. Do

2 you think that's enough? Especially for my seniors
3 who are not on social media? Do you think that's
4 enough?

5 VICE PRESIDENT KIMBALL: It's only... You can
6 only... I guess I would only see it as potentially
7 not enough if... because it's only... it's enough
8 until it's not enough, if that makes any sense. So
9 it's enough until you have what we had in January,
10 which was a surprise increase in bills based on a
11 spike in energy... energy costs. But again... but
12 it's... at the same time, we didn't know in... If we
13 sent something out in October, we didn't know in
14 November what was going to happen to January. We
15 didn't know what was going to happen in January in
16 December. So, you know at most you... we don't
17 really know what's going out until we are able to
18 send the bill, because everyone receives a different
19 bill at a different time and they are measured at
20 different points in time.

21 CHAIRPERSON VELÁZQUEZ: Given that many city
22 residents were surprised when they received their
23 January 2022 bills, do you acknowledge more could
24 have been done to update the customers?

2 VICE PRESIDENT KIMBALL: Again, it would be
3 ideal, surely, if we had the ability... the ability
4 to really predict exactly what your bill is going to
5 be. But because the markets are volatile, because we
6 don't buy all the electricity for the entire... You
7 know, the electricity is bought on a every-single-day
8 basis, and sometimes an every-15-minute basis, and so
9 these are not... we're not buying all the electricity
10 for New York City that's going to used in January,
11 we're not buying it in December. We're buying it in
12 the moment through the New York ISO. So it's ideally
13 people would know, but it's not really something
14 that's possible, the way that the energy system works
15 in New York City... in New York State, really,

16 CHAIRPERSON VELÁZQUEZ: So you mentioned, folks
17 that were registered with the Smart Meter program got
18 alerts through text messaging. Is there a way... or
19 is there a push within Con Ed to get more people
20 signed up to receive more texts?

21 VICE PRESIDENT KIMBALL: Yes, we are working very
22 hard to get people signed up... we're working all the
23 time to get people signed up, to get more information
24 more quickly, through texts, or emails. We're also
25 pushing very hard to get people on the automated

2 infrastructure system... meter system, because that
3 will certainly help.

4 CHAIRPERSON VELÁZQUEZ: Has Con Edison
5 implemented any changes to its notification policy
6 after this incident back in January?

7 VICE PRESIDENT KIMBALL: Um, we did work with the
8 New York Attorney General. Maybe Kerri, you want to
9 go into this? Maybe I'll let you actually answer the
10 question.

11 DIRECTOR KIRSCHBAUM: Sorry, I'm just unmuting
12 myself. Could you repeat the question one more time,
13 please?

14 CHAIRPERSON VELÁZQUEZ: So given everything that
15 happened in January, did Con Edison implement any
16 changes to its notification policy?

17 DIRECTOR KIRSCHBAUM: Yes, following January, we
18 did commit to the Public Service Commission to
19 reevaluate our communications and to try our best
20 despite the sort of market mechanics that Kyle just
21 mentioned, to going forward, communicate with
22 customers, when we become aware of potential supply
23 spikes. We also made a change following that period
24 to our billing practices to account for a small
25 timing lag, so that our hedging practices that we do

2 would more closely aligned with price volatility.

3 And that filing that we made with the Public Service
4 Commission was recently approved, and we believe that
5 that will have a significant impact in... in reducing
6 the amount of volatility going forward.

7 CHAIRPERSON VELÁZQUEZ: And so what has that
8 evaluation process looked like? What kinds of
9 deadlines have you set internally so that way
10 communications can come back to our consumers?
11 Because you just mentioned, you had committed to PSC
12 to reevaluate what has happened since then.

13 DIRECTOR KIRSCHBAUM: Sorry. I keep muting.

14 CHAIRPERSON VELÁZQUEZ: No, that's okay. I saw
15 that.

16 DIRECTOR KIRSCHBAUM: I can get back to you with
17 specifics about deadlines. I think that we have an
18 ongoing, you know, process, especially evaluating
19 input that we received from stakeholders both as part
20 of the rate case that's ongoing and... and outside of
21 it to continually improve our communications. And
22 I'll also point... Kyle mentioned that I might say
23 something about the arrears relief program. And
24 that's another area where I think we've been really
25 successfully collaborating with stakeholders,

2 including the Public Service Commission, but also
3 other consumer advocates like the public utility Law
4 Project on having really robust and... and statewide
5 consistent communications with customers to let them
6 know of available help that's out there, and in
7 particular, the arrears relief program. So I would
8 say I don't know that we... I can get back to you
9 about a specific deadline, but I think our
10 communication efforts are more of an ongoing process
11 then... then one where we've set specific deadlines
12 with us as we monitor, you know, what's going on in
13 supply markets.

14 CHAIRPERSON VELÁZQUEZ: Does Con Ed support
15 Resolution 162, which calls on the state to add two
16 more commissioners to the Public Service Commission
17 that the mayor would nominate?

18 VICE PRESIDENT KIMBALL: At this time, it's not
19 really something that we... you know, it's our
20 regulator. It's not something necessarily that we
21 would weigh in on.

22 CHAIRPERSON VELÁZQUEZ: According to Con Edis on,
23 the cause for the increase in consumers bills in
24 January 2022, was an increase in the cost of energy.

2 Does Con Edison support any proposals that would
3 limit the volatility and price for energy?

4 VICE PRESIDENT KIMBALL: So we do have a very
5 robust hedging program. So this is essentially for
6 those who don't understand it's a... essentially we
7 buy insurance, and it's a pretty standard industry
8 practice. But like any insurance policy, you can't
9 necessarily insure against everything, which is
10 essentially what happened in January. But
11 essentially, we buy insurance on the price of energy,
12 and then if there's a spike that insurance policy is
13 settled. So what's also interesting to note, and
14 it's very little... very little is known is, although
15 there was a price spike in January, because we had
16 done, and customers saw an increase in... an increase
17 in their bills, as we as we all know, there was...
18 there was the hedging program, and the insurance
19 process actually settled in the month of February.
20 So there was a money amount of money, a certain
21 amount of money that was given back to customers,
22 because the insurance policy worked. And so yes,
23 people saw an increase in their bills. And I... we
24 totally understand why that is very difficult, and
25 when people are budgeting for everyday life, it's

2 also important to note that they got money back
3 because our hedging program worked in February. And
4 so what we have also decided to do is change as... as
5 Kerri said, change the timing of some of our billing
6 practices and our in our... in our hedging process,
7 so that it can minimize some of the spikes that
8 people saw in January.

9 DIRECTOR KIRSCHBAUM: If I could just add, we
10 also actively participate before the New York
11 independent system operator, which... which basically
12 is the entity that operates the electricity supply
13 market, and we are active participants in all of the
14 subgroups that exists within... within that that
15 entity and organization to advocate where we can for
16 the fairest and most reasonable supply prices.

17 CHAIRPERSON VELÁZQUEZ: Okay, I have a couple
18 more, and then I'll turn it over to my colleagues.
19 Given that the moratorium on utility shut offs has
20 been lifted, has Con Edison sent letters to city
21 residents, notifying them of impending shut offs, and
22 if so, how many residents have been sent such a
23 letter?

24 VICE PRESIDENT KIMBALL: So it's important to
25 know that if you are in a low income program, you

2 can't really get your benefits and your heat if you
3 are not receiving a shutoff notice. So we have
4 continued to send shutoff notices, because those are
5 very helpful to our low income customers, because
6 that helps them get their benefit.

7 We are not currently doing residential shut offs.
8 We're very focused on the Resolution process and
9 focus on getting people on payment agreements. It's
10 also very important to note that if someone receives
11 a bill spike, they can easily go right onto level
12 billing, which spreads out the... the cost of the
13 increase that happened in January over the rest of
14 the year, and that is something that people can do
15 automatically. In addition, we are we are very
16 focused on getting the word out about our arrears
17 process as well. But the hedging program is
18 something that has... has actually benefited in
19 something... and we have made some changes.

20 CHAIRPERSON VELÁZQUEZ: Did your company provide
21 any advanced notice to your customers on the
22 moratorium as the shut offs was ending? And how much
23 advance notice did you provide?

24 VICE PRESIDENT KIMBALL: I am not aware of any
25 notice that we have provided on the moratorium itself

2 one way or another. Kerri, you can correct me if I'm
3 wrong.

4 DIRECTOR KIRSCHBAUM: I can confirm, but... but I
5 believe that customers were notified through channels
6 and I... and in particular, I believe on bills of the
7 availability to take advantage of the moratorium law
8 to sort of come forward to us and attest that they've
9 had a change in financial circumstances as a result
10 of the pandemic, and thus received the protections of
11 the law, which was the moratorium. There was a plan
12 that was submitted on behalf of not just Con Edison,
13 but all of the utilities. There was a plan submitted
14 to the Public Service Commission on how we were all
15 planning on implementing the moratorium laws, both of
16 them, and that included communications I believe.

17 CHAIRPERSON VELÁZQUEZ: Has Con Edison shut off
18 gas or electricity for any residents since the
19 moratorium was lifted, and is Con Edison prepared to
20 do so? And how many households are poised to have
21 their electricity shut off?

22 VICE PRESIDENT KIMBALL: We have not shut off any
23 customers for nonpayment, as far as I am aware. We
24 may have shut off gas customers for safety issues,
25 for sure, but for not... purely for nonpayment, I'm

2 not aware of any residential... turn offs that had
3 been made. Again, because we're very focused on
4 getting people on payment plans.

5 CHAIRPERSON VELÁZQUEZ: And final one. You know,
6 your investors have secured significant returns over
7 the past year. What is Con Edison doing to share the
8 burden of the price increases, and what else can you
9 do moving forward so that the burden is not left to
10 be carried by your customers?

11 VICE PRESIDENT KIMBALL: So the price... the
12 price increases that we saw in January were supply
13 costs. Those are costs of the energy itself. We do
14 not make any money off the cost of energy. That is
15 purely... if we buy an electron for a kilowatt hour
16 for 14 cents it is passed through a customer for 14
17 cents that is not something Con Edison, its
18 investors, or anyone makes money off of. The people
19 who are making money in that situation are the power
20 generators themselves, the hedge funds that own the
21 power generators, and then the like, but we are... we
22 do not generate electricity, we do not make money
23 from the supply of electricity, from... from the
24 generation of electricity, or gas.

2 CHAIRPERSON VELÁZQUEZ: I'm going to turn it now
3 to Councilmember Farias.

4 COUNCILMEMBER FARIAS: Hello. Thank you. Thank
5 you folks for testifying today. I just want to go
6 back to the initial question I asked DCWP and that
7 you commented on around the energy forecasting or
8 fiscal forecasting of energy. I understand that
9 literally minute by minute, things are changing. And
10 that's a bit of the like, in-the-weeds we don't want
11 folks to have to be worried about. But we... I guess
12 for me, it's more so around what do the notices look
13 like for people when you are kind of trying to
14 anticipate, as you stated in your testimony, that you
15 are trying to let people know ahead of time? Is it
16 more so that these notifications are put with limited
17 detail around like, "Hey, we're anticipating. It's
18 the summer AC's are going to be running more. So
19 your bill might be higher"? Or is it more nuanced
20 and more contextual? And getting into a little bit
21 of the minutia of like, "It's costing our government
22 more money to buy energy. And so we are anticipating
23 along with you running your AC 24 hours a day in the
24 summertime that your bill might be higher."

2 VICE PRESIDENT KIMBALL: we can forward you the
3 press release we did in the fall, and the one we have
4 done for this summer. But it essentially is...
5 We've... If I were to recite it myself, it's, "We
6 will... The price of electricity will... will likely
7 be higher for the summer, for example, by a certain
8 percentage." We will then say the average bill is
9 which I believe the average I think we say the
10 average bill is \$80 and uses 300 kilowatt hours.
11 That means that at that usage, it will... your bill
12 is usually this, it will probably be that. And I
13 think it's upwards of about up for about 11% for
14 example for this summer.

15 But we can send you the actual press releases
16 when this is over. And then it gives conserve... it
17 doesn't... we don't always go into the reasons. I
18 can't remember if for this summer, if we went into
19 the... the geopolitical reasons for the cost of
20 energy itself. I can't... I just can't remember... I
21 don't have it right in front of me.

22 COUNCILMEMBER FARIAS: Sure.

23 VICE PRESIDENT KIMBALL: But then it was also
24 saying, "But here are some tips for conservation,"
25 you know, changing the temperature, and a number of

2 different things that people can use to conserve
3 energy.

4 COUNCILMEMBER FARIAS: Got it. I mean, this is
5 just me personally speaking. Obviously, I'd like Con
6 Ed to consider how we actually loop people into the
7 more nuanced conversation of just, "We want you to
8 conserve more because it's going to be hot," only
9 because we get to spaces like January 2022, where
10 people are notified 30 days prior to an increase, not
11 quite getting the full gist of why the increase is
12 happening. So I... You know, I'd like to continue
13 the conversation, obviously, but we'd really like you
14 folks to go back into your teams and think about,
15 "How are we actually giving that nuanced context to
16 our customers?" And just personally speaking as a
17 consumer and a... and a, I guess, a patron of Con
18 Edison. You know, I don't get paper bills in the
19 mail. Like one of the first things I did when I as a
20 young person getting my own apartment was signing up
21 for electronic bills. And so, you know, even just if
22 it's a press release, I'm not going on Con Edison's
23 website to look at a press release, nor am I really
24 fishing through the 2, 5, or 10 pages of my bill
25 that's online now, because I know that I am

2 consistently using X amount of energy and my bill
3 should be consistent every month. So just... just
4 for us to start thinking about folks that are also
5 already partaking in conservation, like myself, who
6 are getting bills online, we might not be going
7 through all of those pages. And we might not be
8 going to the website for a press release. So what
9 are the other ways that we can be a little bit more
10 creative and notifying our residents? But thank you
11 so much for answering my question. Thank you, Chair.

12 CHAIRPERSON VELÁZQUEZ: I'll now turn it to
13 Councilmember Krishnan.

14 COUNCILMEMBER KRISHNAN: Thank you so much Chair
15 for this hearing today. You know, I want to just ask
16 two quick questions. One more a comment, and the
17 other question, but I think you've heard from my
18 colleagues today too. The way in which rate hikes
19 happened and the lack of notice about them, you know,
20 I understand the... the reasoning kind of gives and
21 the rationale, but the reality is on the ground, it
22 doesn't get translated or communicated the same way.
23 The fact of the matter is, people's bills jumped up
24 significantly, very fast and no amount of, you know,
25 explanation can really justify or explain away the

2 impact that it's had, especially on low-income
3 communities and low-income residents of color to, so
4 I would urge Con Ed, to really hear carefully all the
5 testimony today, because this issue is going to
6 continue and to find ways to ensure that residents
7 can be made whole or other measures can be taken to
8 rectify for residents who really had to had to pay
9 dramatically more.

10 VICE PRESIDENT KIMBALL: Would you... Kerri, do
11 you want to speak for a minute about our low income
12 and bill assistance programs?

13 DIRECTOR KIRSCHBAUM: Sure. We have... We
14 actively participate in the Public Service Commission
15 statewide affordability policy. And as a result of
16 that policy, qualifying customers can receive a
17 monthly discount on their bill. For the vast
18 majority of Con Edison's customers, that discount is
19 about \$23. But depending on your income tier, which
20 is based on HEAP information, it could be as high as
21 about \$60. We recently, working with stakeholders
22 also made some pretty good improvements to that
23 program. First, those discounts were raised up to
24 those levels last year, bringing the total amount of
25 money that's spent on those programs on the electric

2 side for Con Edison to about \$120 million a year. We
3 also recently began allowing customers to come to us
4 to self-certify that they qualify for the program.
5 And they can qualify through a number of... of
6 different public assistance programs. I think about
7 eight of them. So we're we continue to support the
8 affordability program. And we will. We have the
9 arrears... In addition to that, we have the arrears
10 relief program that is aimed at customers who are
11 already enrolled in our low income monthly discount
12 program, or who get in it before the end of this
13 year. And that will provide relief of arrears that
14 have built up over the pandemic to those customers.
15 And we are actively participating in an important
16 phase two of that program to figure out a new
17 proposal that could provide arrears help to customers
18 who might not qualify for the program, because
19 they're just on the margins and that... and that we
20 could help other residential customers, or even
21 small-business customers who have built up over years
22 over the pandemic.

23 I'll also just note, in the pending rate filing,
24 there are also several programs that are aimed at
25 helping our most vulnerable customers. We have low

2 and moderate income, customer energy efficiency
3 programs, and targeted outreach and education. We
4 also have a program where we'd like to provide
5 credits stemming from the generation of renewable
6 solar or other generation, and provide credits
7 from... from that generation directly to our most
8 vulnerable customers. That's a couple of the things
9 that we're doing. But in particular, the... I think
10 the monthly bill discount program is a meaningful
11 assistance for customers.

12 COUNCILMEMBER KRISHNAN: Thank you. And again, I
13 think the biggest issue is making sure that reaches
14 all the communities that needs to be reaching,
15 because sometimes the programs up here may not
16 actually, you know, be accessible on the ground or be
17 be distributed on the ground to make sure that it's
18 received by those who most need it. So I would
19 really urge Con Ed to pay close attention to that.

20 And similarly my final question just more
21 generally, you know, as a lawyer who's represented
22 tenants on many occasions that have dealt with
23 electricity shut offs, landlords that have taken
24 sledgehammers to the buildings and destroyed
25 electricity. One of the things that I find more

2 generally speaking is it's... it's extraordinarily
3 difficult to get Con Ed to turn back on the
4 electricity, because of issues between landlords or
5 getting caught in landlord and the tenant, putting
6 more of the... the expectation of the landlord to fix
7 the problem. And it's the tenant who suffers at the
8 end of the day because they don't have electricity.
9 So what... Has there been any efforts by Con Ed to
10 examine ways in which to expedite the process when
11 you have utility shut offs, when electricity is lost
12 for one reason or another, to ensure there's direct
13 communication with Councilmember offices, with legal
14 services lawyers, and otherwise, to ensure that
15 without litigation, electricity can be turned back
16 on? If you'll permit me Chair just to finish the
17 question?

18 COUNCILMEMBER ABREU: Thank you, Councilmember
19 Krishnan. Now I'll turn it over to Councilmember
20 Bottcher. I'm temporarily chairing this committee
21 hearing.

22 COUNCILMEMBER KRISHNAN: Chair, do you do you
23 mind if... if Con Ed can finished answering the
24 question?

2 COUNCILMEMBER ABREU: Oh, please, please. You
3 may finish answering the question, then I'll proceed
4 over to Eric Botcher.

5 COUNCILMEMBER KRISHNAN: Thank you Chair.

6 VICE PRESIDENT KIMBALL: Yeah, I'll take a swing
7 at it. So we have sat down with the members of the
8 Adams administration, with the other utilities as
9 well, with national grid, to examine this process,
10 because it can be difficult once somebody's utilities
11 are shut off to have them restored in the case of gas
12 for a lot of safety reasons. So we are... we have
13 sat down with the Adams... Adams administration to
14 talk about ways to streamline that process.

15 It's important to note that our status and our
16 relationship is with the meter owner. So that is
17 sort of our jurisdiction. We don't necessarily ever
18 get in the middle of landlord tenant disputes if, if
19 at the end of the day, it's the landlord, that
20 owns... that has the meter. But we are sitting with
21 the Adams administration to... to improve this
22 process. Because at the end of the day, it's not
23 good for us to have people who don't have access to
24 their utilities, right? We are aligned in that.

2 COUNCILMEMBER KRISHNAN: Thank you. No further
3 questions. Thank you Chair.

4 COUNCILMEMBER ABREU: I'd like to now turn it
5 over to Councilmember Bottcher for questions.

6 COUNCILMEMBER BOTTCHER: Good afternoon. Today
7 was the first time that I had heard property taxes
8 given as a major factor behind the rate increases.
9 Can you tell us what... which assets of Con Edison
10 are subjected to city real estate taxes? And what...
11 what have you been doing to raise awareness about
12 this? Ask for assistance with this?

13 VICE PRESIDENT KIMBALL: Sure, and I'll let
14 Stephanie talk more about this. But essentially, the
15 idea is that anytime we put an electric cable in the
16 ground or a pipe or make an improvement on a
17 transformer, that property is taxed. And it's a
18 special class, as administered by the Department of
19 Finance. We are our own class. And that is assessed
20 by the Department of Finance and we essentially
21 receive a notice once a year as to what our property
22 taxes are going to be. And it has it has increased
23 quite a bit over the years. So these are not taxes
24 on like on our buildings or anything like... This is
25 literally the energy infrastructure that is in the

2 street, or in a substation that is taxed by the city.

3 And so one of our concerns is that if the... if the
4 answer to decarbonization, and meeting our climate
5 goals is to electrify and reduce the use of natural
6 gas, which we're fully in support of, we have to
7 increase the ability of the electric system to meet
8 the load that's currently being served by the gas
9 system. So if you are, have a house that's currently
10 heated by gas or a gas furnace, the only way we're
11 going to decarbonize the system and reduce fossil
12 fuel usage is to convert you to some form of electric
13 heating. But that means the electric system is going
14 to have to pick up the load that's currently being
15 met by the gas system. So we may have to run a new
16 feed or we may have to put a new transformer, we may
17 have to run the whole new transmission line at a
18 certain point or create a new substation.

19 All of those things get taxed by the city. So in
20 other words, everything we're doing for this clean
21 energy transition is going to be a huge windfall of
22 taxes for the city. And I think that is something
23 that we should be concerned about because it is a big
24 driver of the rate case. Those cases... that...

1 those monies get put in front of the PSC, and then
2 the PSC approves them being collected in the bill.

3 And in this case, I think -- correct me if I'm
4 wrong Kerri -- but I believe \$400 million or so.

5 Sorry, I had the number here earlier. Sorry, it's
6 more like 200... 250. Let me just look here. I had
7 it earlier. About... About \$250 million of our
8 current rate case is for taxes... funding a tax
9 increase. So there's a certain amount of taxes that
10 are already in the bill, and about \$250 million of
11 our rate cases is to get approval to collect the
12 other... another \$250 that by which is being raised.

13 COUNCILMEMBER BOTTCHEER: You and your colleagues,
14 you meet with policymakers, you lobby for policies
15 that help with your mission. Who have you spoken to
16 about this problem? And what has the reaction been?

17 VICE PRESIDENT KIMBALL: Um, we've spoken to the
18 Department of Finance. This is something that's a
19 big concern with the PSC. In the past, there was a
20 big effort to try to collapse the two different
21 classes. So this has sort of been an ongoing, long
22 time discussion with... with little Resolution. And
23 Stephanie, I don't know if you want to weigh in on...
24

2 DIRECTOR MERRITT: I think you have it. But in
3 addition to what we've done regarding meeting with
4 perhaps the PSC, and meeting with folks from New York
5 City, including the Department of Finance, we also
6 try to, you know, do things to mitigate property
7 taxes with... that are within our direct control.
8 And that with, you know, requesting economic
9 obsolescence for... for certain economic factors,
10 requesting functional obsolescence from New York
11 state as well, that's also within our control. We...
12 We, you know, we speak about property taxes in New
13 York City, and it's a function rate of two different
14 things: The property tax rate, which the company and
15 any taxpayer has zero control over, but then also the
16 assessed value. So within the assessed value kind of
17 bucket, we do, kind of grieve that for overvaluation.
18 We do that every single year. So we are doing things
19 to work with, you know, work with our different
20 stakeholders, but we're also doing real-time things
21 that's causing a reduction in property taxes in the
22 very-short-term with any given year.

23 COUNCILMEMBER BOTTCHEER: I think this is an area
24 that we should focus more on, because when we talk
25 about the factors behind the increasing utility bills

2 for customers: Yes, there's the international energy
3 market, and we're at the whim of that. But we also
4 have the fact that the city is taxing the heck out of
5 all of Con Ed's real estate... all of Con Ed's
6 infrastructure, and that's getting passed along to
7 consumers directly. I'd like to work with you on
8 this.

9 VICE PRESIDENT KIMBALL: Thank you.

10 COUNCILMEMBER ABREU: Thank you, Councilmember
11 Bottcher. I'm going to revisit some of the questions
12 that were sort of asked earlier for additional
13 clarification. Can Con Edison please describe how in
14 notified residents of the expected increases, and I'm
15 focusing here specifically on how.

16 VICE PRESIDENT KIMBALL: Are you talking about
17 the rate case increases or the January supply cost
18 increases?

19 COUNCILMEMBER ABREU: January.

20 VICE PRESIDENT KIMBALL: Okay. So January.
21 Because they are two very separate things.

22 So January supply costs, there was a notification
23 that was sent out in the in the fall around expected
24 high winter rates, and we can forward that to the
25 Council at the end of this. And that's part of our

2 winter prep process where we send out every... every
3 fall, what we think rates are going to look like, and
4 then in...

5 COUNCILMEMBER ABREU: How was that sent out?

6 VICE PRESIDENT KIMBALL: That is sent out by
7 email, by press release, media, webpage, pretty much
8 any distribution source you can think of.

9 (crosstalk), Councilmembers to community CBOs.

10 COUNCILMEMBER ABREU: Was it mailed to folks?

11 VICE PRESIDENT KIMBALL: It is not necessarily
12 mailed. That particular press release is not mailed,
13 but there is something in the bill, that is a version
14 of that that is sent out.

15 COUNCILMEMBER ABREU: Okay, so is it fair to say
16 that older adults without access to technology would
17 not have received this notification?

18 VICE PRESIDENT KIMBALL: No, no. There would
19 have been a notification. It just would have been a
20 different form in the bill. It wouldn't... so I'm
21 talking about a press release, and a version of that
22 would have been put in the bill.

23 COUNCILMEMBER ABREU: So that was in the bill
24 that was sent to... So that was included in the
25 bill... somewhere in the bill.

2 VICE PRESIDENT KIMBALL: Yeah. Correct me if I'm
3 wrong, Kerri, but it is... it is in one of the fall
4 bills. Yeah.

5 DIRECTOR KIRSCHBAUM: It was in the... yeah, the
6 customer news newsletter that goes out kind of in the
7 fall, preparing for winter.

8 COUNCILMEMBER ABREU: Got it. And so the 2020
9 supply increases were included in the bills.

10 VICE PRESIDENT KIMBALL: So our prediction that
11 rates would be... the supply rates would be higher
12 was included in the bills. The magnitude of which
13 they were higher was not something we could have
14 predicted or put into a bill.

15 COUNCILMEMBER ABREU: Okay.

16 VICE PRESIDENT KIMBALL: Yeah.

17 COUNCILMEMBER ABREU: And is it also fair to say
18 that it wasn't salient in the front of the bill or in
19 the back of the bill?

20 VICE PRESIDENT KIMBALL: There's... Well,
21 there's... a Kerri says, there's the bill, and
22 there's the customer newsletter, where a lot of the
23 information is, and it's... it's all included right
24 in the bill.

25 COUNCILMEMBER ABREU: So where in the bill?

2 VICE PRESIDENT KIMBALL: So there's a bill that
3 talks about how you use it, and how you compare and
4 the different costs. And then there's usually a
5 newsletter that's inside the same envelope that goes
6 through these issues. (crosstalk)

7 COUNCILMEMBER ABREU: How many many pages? How
8 many pages are we talking about here?

9 VICE PRESIDENT KIMBALL: It's maybe two small
10 pages.

11 COUNCILMEMBER ABREU: Okay, so... so basically...
12 so I'm going to re-ask the question that Chair
13 Velázquez asked: Do you acknowledge that more could
14 have been done to update consumers?

15 VICE PRESIDENT KIMBALL: It's... Again, it's not
16 something... You can always do better. You can
17 always update customers more, but this is not
18 something you could have updated them about in... in
19 advance.

20 COUNCILMEMBER ABREU: You don't think it would
21 have been more effective to have it more saliently
22 printed on the front page of a bill, for instance?

23 VICE PRESIDENT KIMBALL: The... The...

24 COUNCILMEMBER ABREU: Because it's okay if you
25 disagree with that statement.

2 VICE PRESIDENT KIMBALL: I guess I disagree with
3 that statement. (crosstalk)

4 COUNCILMEMBER ABREU: I just don't understand why
5 with the knowledge that more could have been done.
6 That's something that's just mind boggling to me.

7 VICE PRESIDENT KIMBALL: I guess... I guess what
8 we're, I guess what I'm trying to say is the fall
9 notification of our... our forecast of higher energy
10 bills that is in the customer newsletter. What goes
11 on the bill is highly regulated by the Public Service
12 Commission. There's only certain things that can go
13 on the bill itself. The customer newsletter is where
14 we put pertinent information about what's going on
15 the market, about life-sustaining equipment, about
16 storm preparations, energy saving tips, that's
17 customer news. That is inside the same bill, the
18 bill is tucked in there. It is no more or less
19 important than the bill itself. So that was done in
20 the fall. In... What happened in a January was not
21 something that we could have put in a bill. So there
22 are apples and oranges.

23 COUNCILMEMBER ABREU: And is it fair to say that,
24 since you refer to the regulations, the regulations

2 will not impact your ability to place salient
3 information in the front of the bill?

4 VICE PRESIDENT KIMBALL: I guess I'm not sure I
5 understand what you mean by front of the bill.
6 That's what I'm confused about.

7 COUNCILMEMBER ABREU: So the increases, right?
8 That... Was that is placed in a salient place for...
9 for someone who's receiving this in the mail to see?
10 Is my question.

11 VICE PRESIDENT KIMBALL: In November, it would
12 have been... or October whenever it was sent out, it
13 would have been in the newsletter. And there was
14 a... if you received a bill in January, there's not
15 necessarily anything on the bill that talks about...
16 it's... your... your bill is... There's already so
17 much information on there. But there's not
18 necessarily anything on there that explains that your
19 bill is higher because of geopolitical events and the
20 cost of gas, if that makes sense.

21 COUNCILMEMBER ABREU: All right. I'll proceed
22 with additional questions. While advocacy groups
23 called for New York State to appropriate \$1.25
24 billion to address utility arrears in the New York
25 state budget. The 2023 state budget added \$250

2 million to address arrears. Does Con Edison think
3 the current amount of state funding is sufficient to
4 adjust the amount in arrears Con Ed customers
5 currently have?

6 VICE PRESIDENT KIMBALL: That... This was the
7 initial round. There is another round that we are
8 working very closely on but this was a very good
9 start. But there's more to be done.

10 COUNCILMEMBER ABREU: Thank you. And I'm here
11 also to acknowledge Councilmember Brewer.

12 How many Con Ed customers will continue to be in
13 utility arrears after the state administers relief
14 through the electric and gas utility bill credit
15 program?

16 VICE PRESIDENT KIMBALL: So it's... it's just
17 being developed, we are just out there marketing now,
18 again, through all the social media channels, email,
19 bill inserts, press releases. So it's hard to say
20 because it really depends on who takes us up on it.
21 So it's pretty mature to say how many people will be.
22 (crosstalk) It depends on how... who takes it up and
23 for how much, and how far the money will be spread.

24 COUNCILMEMBER ABREU: All right.

2 VICE PRESIDENT KIMBALL: I don't know, Kerri, if
3 you have...want to say anything else about the phase
4 2 of that?

5 DIRECTOR KIRSCHBAUM: I think there might be some
6 statistics that were included in the report that was
7 recently filed with the Public Service Commission and
8 approved on... on May 12 in an order by the Public
9 Service Commission, but I'm not finding the details.
10 Right in front of me. But I do agree with you, Kyle,
11 that I think it is very much dependent on the number
12 of customers who come forward and get enrolled in our
13 program, as well as the availability of other state
14 funding opportunities, like the ERAP and the RES
15 programs as well.

16 COUNCILMEMBER ABREU: So is there an estimate
17 potentially, that you would have on that, or... or
18 no? On the number of Con Ed customers that will
19 continue to be in arrears?

20 VICE PRESIDENT KIMBALL: I can send it to you.
21 Yeah.

22 COUNCILMEMBER ABREU: All right. Thank you.
23 Does the electric and gas utility bill credit program
24 contain enough funding to address the need of Con Ed
25 customers that are both in arrears and customers that

2 are not in arrears, but are burdened by their Con Ed
3 bill?

4 VICE PRESIDENT KIMBALL: The program, I think, if
5 I understand your question, I couldn't... I just...
6 Something cut out there for a second. The arrears
7 program is focused on people who are in arrears, not
8 necessarily folks who are energy burdened.

9 COUNCILMEMBER ABREU: Sorry, so...

10 VICE PRESIDENT KIMBALL: Kerri, do you want to
11 say more about that?

12 DIRECTOR KIRSCHBAUM: Yeah, the... the program
13 will resolve arrears for customers that are enrolled
14 in our monthly discount program. It will... it will
15 resolve the arrears that they've accumulated during
16 the pandemic period. And the phase two, which we're
17 working in a statewide group right now actively on
18 trying to come up with a proposal that will address
19 other customers who are not currently in our low
20 income program. And I think right now, there's about
21 450,000 customers that are in the low-income discount
22 program, so a significant number. And as to
23 customers who are not in arrears, but might be
24 overburdened, again we encourage customers to seek to
25 see if they qualify for our low-income monthly

2 discount program, which is separate from the arrears
3 program. And if they do, then they also could
4 receive, as I mentioned before, a \$25, up to upwards
5 of \$60 credit on their on their bill, setting aside
6 the issue of... of arrears.

7 COUNCILMEMBER ABREU: Okay, you said it covered a
8 period. What... Can you define that period?

9 DIRECTOR KIRSCHBAUM: The pandemic period, so
10 I'm...(crosstalk)

11 COUNCILMEMBER ABREU: We're still in the
12 pandemic.

13 DIRECTOR KIRSCHBAUM: not going to quote to the
14 day, but something like March of 2020 through May of
15 2022, which is shortly after the Commission issued
16 its order on... on May 12, approving that arrears
17 relief program.

18 COUNCILMEMBER ABREU: How is the period defined
19 to May 2022? Why that date?

20 DIRECTOR KIRSCHBAUM: The May 2022 date?

21 COUNCILMEMBER ABREU: Yeah.

22 DIRECTOR KIRSCHBAUM: I'll have to take a look
23 back in the report on the landing of that date.

24 VICE PRESIDENT KIMBALL: I think it's probably
25 when the legislation was passed.

2 COUNCILMEMBER ABREU: Okay.

3 VICE PRESIDENT KIMBALL: Yep.

4 COUNCILMEMBER ABREU: Does Con Edison expect
5 there to be an increase in the cost of purchase
6 energy this summer? If so, what increase this Con Ed
7 expect will occur?

8 VICE PRESIDENT KIMBALL: Yeah, so we did put out
9 a press release on that. And again, we'll forward it
10 to you. And I believe it was 11%.

11 COUNCILMEMBER ABREU: Can you...

12 VICE PRESIDENT KIMBALL: It's somewhat depends on
13 on, again, how much someone uses.

14 COUNCILMEMBER ABREU: And how does that translate
15 into dollars?

16 VICE PRESIDENT KIMBALL: I can't... so it just...
17 it depends on how much somebody uses.

18 COUNCILMEMBER ABREU: Okay, so can you explain
19 given this increase what impact this will have on
20 city residents' Con Edison bills?

21 VICE PRESIDENT KIMBALL: So if... if... So what
22 we do in that situation is we give... and let me pull
23 it up here in a second. But it's essentially if
24 somebody uses the typical amount which is 300
25 megawatt hours, it goes up by a certain dollar

2 amount, and then we give energy saving tips. To help
3 hopefully bring that cost down.

4 COUNCILMEMBER ABREU: Got it. So you don't...
5 you can't... can you characterize the... the exact
6 impact this will have on Con Edison bills?

7 VICE PRESIDENT KIMBALL: If you just give me...
8 if go on to another question, I will look it up here.

9 COUNCILMEMBER ABREU: Thank you.

10 VICE PRESIDENT KIMBALL: Or if one of my
11 colleagues on the phone has... has it, I can give it
12 to you.

13 So, the typical New York residential customer
14 using 350 kilowatt hours in June to September can
15 expect an 11% increase from \$104 to \$116.

16 COUNCILMEMBER ABREU: Thank you so much for that.

17 Do you have a breakdown based upon zip codes of
18 where kind of customers have incurred debt because of
19 their utility bills? If not, are you able to provide
20 that to us?

21 VICE PRESIDENT KIMBALL: I'm not sure that we
22 can. I don't think we do. I'm not sure that we can.
23 But I can certainly look into that.

24 COUNCILMEMBER ABREU: To the extent that you
25 can't, can you describe the potential barriers that

2 would be in place? Or that would affect your ability
3 to provide that information to us?

4 VICE PRESIDENT KIMBALL: I don't see any
5 barriers. I'm just not sure necessarily, it's
6 something we keep regularly. So that's the only...

7 DIRECTOR KIRSCHBAUM: Could I ask a question
8 about that... about that?

9 COUNCILMEMBER ABREU: Yes, of course.

10 DIRECTOR KIRSCHBAUM: You'd like a breakdown of
11 customers who might be in utility arrears by zip
12 code?

13 COUNCILMEMBER ABREU: Yes. Yes. That... that
14 could have been phrased differently. Do you have a
15 breakdown based upon zip codes of where Con Ed
16 customers have incurred arrears because of their
17 utility bills? That would be another way of asking
18 that.

19 DIRECTOR KIRSCHBAUM: Okay.

20 VICE PRESIDENT KIMBALL: Yeah. We can look and
21 see if that's possible.

22 COUNCILMEMBER ABREU: Do you... Would you have
23 that information on hand by any chance?

24 VICE PRESIDENT KIMBALL: I have it on hand. Yep.

2 COUNCILMEMBER ABREU: Would you have that
3 information... in... within your purview of your of
4 your job description?

5 VICE PRESIDENT KIMBALL: No. Not me personally
6 no.

7 COUNCILMEMBER ABREU: Would Con Ed have that
8 information?

9 VICE PRESIDENT KIMBALL: I'm sorry?

10 COUNCILMEMBER ABREU: Would Con Ed have that
11 information.

12 VICE PRESIDENT KIMBALL: I'm committing that I
13 will find out if we do.

14 COUNCILMEMBER ABREU: So...

15 DIRECTOR KIRSCHBAUM: I can confirm...

16 VICE PRESIDENT KIMBALL: I'm sure that we have
17 it, yeah.

18 COUNCILMEMBER ABREU: ...you don't have
19 information on utility arrears, you know, broken down
20 by ZIP codes?

21 VICE PRESIDENT KIMBALL: I just don't know that
22 we have it broken down by zip code. I just don't
23 know.

24 COUNCILMEMBER ABREU: Got it. So to the
25 extent...(crosstalk)

2 VICE PRESIDENT KIMBALL: That's what... and I'm
3 committing to you that we will find out if we do

4 COUNCILMEMBER ABREU: ... o the extent it is not
5 broken down by ZIP codes, could you break it down by
6 zip code?

7 VICE PRESIDENT KIMBALL: Again, I'll commit to
8 you that we will see what's possible to provide given
9 the request you're asking.

10 COUNCILMEMBER ABREU: All right, no further
11 questions. Thank you so much.

12 Now we'll turn over... right? Now I'm going to
13 turn it over to Committee Counsel.

14 MODERATOR MEIXLER: Thank you. I will now be
15 calling on Laurie Wheelock. After Laurie Wheelock, I
16 will call her William Yates, and then Ian Donaldson.
17 After Ian Donaldson, I will turn to questions for the
18 Public Utility Law Project.

19 Laurie, you may begin.

20 SERGEANT AT ARMS: Time starts now.

21 MS. WHEELOCK: Thank you so much. Good
22 afternoon. My name is Laurie Wheelock. I'm the
23 Deputy Director of the Public Utility Law Project.
24 We go by PULP for short. Like legal aid, our
25 organization offers direct services, specifically for

1 low income utility customers. So anyone experiencing
2 issues with receiving termination notices on
3 electric, gas, water or their telecommunications can
4 contact us. We help them find financial assistance
5 programs that they may be eligible for. We offer
6 assistance on how to read their bills and more. Our
7 direct services team has been actively involved with
8 numerous individual cases stemming from this winter's
9 bill surge. And this all began for us on Monday,
10 February 7, 2022, we began to see an increase in
11 calls and emails to our hotline due to the bill surge
12 from the January bills that were hitting from that
13 weekend and email notices people were receiving. By
14 10 a.m. that Monday morning we had already seen two
15 calls from elected officials in Brooklyn, requesting
16 information and assistance to help their
17 constituents. One of those offices had already
18 received 250 estimated messages on their answering
19 machine from over that weekend, from that Friday
20 evening to the Monday morning that they reopened.
21 Another office expressed concern that they had
22 received approximately 170 calls, all relating to
23 concerns and questions about spikes in Con Ed bills.
24 PULP is a small nonprofit but we are mighty. We have
25

2 nine full time staff, but we cover the entire state.

3 So we ourselves were concerned about how we can

4 handle the volume. So we worked with offices across

5 the five boroughs to triage... to triage cases to

6 assist people. We began to work internally to devise

7 a plan on how to help with the volume of calls and

8 emails we were receiving, knowing full well that what

9 was happening Con Ed's territory was also going to

10 happen throughout the entire state.

11 First, we began to put together a public

12 education plan, we put together one pager and social

13 media images, and an E-blast to different state

14 municipal elected officials, nonprofits, CBOS, to

15 help explain that customers have different parts of

16 their bill. There's a supply part of the bill, a

17 demand part of a bill. We tried to help explain the

18 supply chain issues, shortages on the federal level,

19 and the consequential increase in demand and

20 commodity prices. But we also flagged concern that

21 the... the utilities have responsibility to hedge,

22 and the market, you know... to hedge the market

23 through forecasting and planning, as well as

24 communicating with customers to expect significant

25 increases in costs and prices.

2 We then created a direct services plan of action
3 to help individuals follow steps to work on the
4 issues that they were experiencing. This included
5 paying what they could when they could. Just because
6 you received a very large bill, if you couldn't pay
7 it all at once, to try to pay something, and then
8 speak to Con Ed about how you were struggling to pay
9 the rest. We also talked with people about all the
10 different financial assistance programs -- and
11 there's a lot and it can be very confusing. Just
12 some of the acronyms we deal with on a daily basis
13 are HEAP, ERAP, EAP, and EEA. I'll save, you know,
14 my time and not go into each, but there are some
15 financial assistance programs out there with
16 different eligibility, and we try to work with people
17 on applying for those. We also encourage people to
18 discuss affordable payment agreements for Con Edison,
19 but also to talk to the Department of Public Service
20 and share their concerns about how the bill surge was
21 affecting them.

22 We then collaborated with elected officials and
23 nonprofit...

24 SERGEANT AT ARMS: Time expired.

2 MS. WHEELLOCK: ...organizations to several
3 virtual trainings to help explain what was going on
4 and what people's rights were. Three months later,
5 while the initial spike in calls and emails to our
6 organization has gone down, we still receive regular
7 communication from people trying to understand what's
8 been happening, and where we're going from here.
9 With the hot summer weather already here, people are
10 particularly nervous about how they're going to be
11 able to afford their electricity bills.

12 On June 16, the US Energy Information
13 Administration warned that electricity prices will be
14 going up this summer. And Con Edison, as we've
15 already heard today has active rate increases
16 expected between a filing, and the case is 22E-0064
17 and 22G-0065. PULMP is an active party to both cases
18 and affordability is a significant concern to us.
19 Con Edison is requesting a massive \$1.7 billion rate
20 increase,

21 SERGEANT AT ARMS: Time expired.

22 MS. WHEELLOCK: ...and what this means in their
23 own filing is that for electric customers, on average
24 New York City bills could go up \$11.21 and gas rate
25 customers could see increases of approximately

2 \$37.88. PULP is going to continue to work with
3 individuals on how to deal with current bills and
4 plan for long term bills because we expect that these
5 price spikes are going to continue, and with the
6 ongoing rate case, we'll work there as parties to do
7 what we can to bring that rate increase down.

8 I'm now going to turn over testimony to two other
9 PULMP colleagues. The first is William Yates, our
10 Director of Operation who's going to discuss some of
11 the data he's done in research on energy burden
12 facing New York City customers. And then we're going
13 to hear last from Ian Donaldson, our communications
14 assistant who's going to speak about the proposed
15 legislation and resolutions before the Council today.

16 Thank you so much.

17 MODERATOR MEIXLER: Thank you. Next I will call
18 on William Yates to testify, followed by Ian
19 Donaldson. William?

20 SERGEANT AT ARMS: Time starts now.

21 MR. YATES: Good afternoon and thank you for this
22 opportunity to discuss the utility affordability
23 challenges confronting New York City's low-income
24 households. My name is William Yates. I am Director
25 Of Research for PULP. On May 20, I filed testimony

1 in the Con Edison rate case that assessed the impacts
2 that Con Edison's proposed electric and gas rate
3 increases would have upon low income households
4 already struggling to pay their bills. My filing is
5 attached as Exhibit 1 to my uploaded testimony for
6 this hearing.
7

8 Today I'd like to focus on two subjects. The
9 first is known as the energy burden, which in the
10 city is generally the percentage of household income
11 spent on utility, electricity, and natural gas. In
12 2016, the PSC adopted a policy that total energy
13 costs for low-income households should not exceed 6%
14 of their incomes, in Con Edison's case 3% for
15 electricity and 3% for gas. However, my analysis of
16 census bureau data found that in 2020, the city's
17 low-income households spent an average of 8.9% of
18 their incomes on energy, almost 50% more than this
19 target. Onto that already excessive burden, Con
20 Edison proposes to add delivery rate increases
21 approaching 20% for electricity, and 26% for gas.

22 Low income energy burdens vary... vary
23 considerably throughout the city. In the parts of
24 the city where Con Edison provides both electric and
25 gas service, energy burdens range from 7.2% in East

1 Harlem, to 12.5% in parts of the Bronx. Most of this
2 burden derives from the high cost of electric
3 service, which at an average of 6.5%, is more than
4 twice the PSE's 3% electric target. Moreover, it
5 exceeds 8% in several Bronx and Manhattan community
6 districts. My analysis of energy burdens by
7 community district is attached as Exhibit 2 to this
8 testimony.
9

10 The second subject I'd like to discuss is the
11 additional impact that energy supply shocks such as
12 occurred earlier this year have upon low-income
13 energy burdens. Con Edison doesn't make a profit on
14 the electricity it supplies. It merely passes
15 through its cost of electricity, most of which is
16 obtained in spot market. It hedges some but not all
17 of these purchases. But it is not clear that these
18 hedging practices are sufficient to avert the kind of
19 build searches that occurred in January and February.
20 Con Edison forecasts that supply... supply costs will
21 actually decrease from 2023 to 2025, serving to
22 moderate its proposed delivery rate increases.
23 Importantly, natural gas is used to generate most of
24 Con Edison's electric supply. In the US, constraints on
25 production, and prospects for greater gas exports

2 were already exerting upward pressure on prices
3 before Russia's invasion of Ukraine. Since the
4 invasion, the upward momentum of gas prices has been
5 unrelenting, casting doubt on Con Edison's forecast
6 and potentially adding energy burdens.

7 Thank you again for this opportunity to speak
8 today.

9 MODERATOR MEIXLER: Thank you. I will next call
10 on Ian Donaldson to testify. Ian?

11 SERGEANT AT ARMS: Time starts now.

12 MR. DONALDSON: Good afternoon, and thank you for
13 this opportunity to testify. My name is Ian
14 Donaldson and I'm a Communications and Community
15 Relations aide with the Public Utility Law Project.
16 Today I'd like to focus my testimony on New York City
17 Council Bill Number 372-2022, sponsored by Speaker
18 Adams, which would create the office of utility
19 consumer advocate within the Department of Consumer
20 and Worker Protection, along with the four
21 Resolutions that are also being considered by the
22 committee. As you recall, the concept of an energy
23 utility consumer advocate is not entirely new to the
24 City of New York or its residents. Prior to the
25 1990s, the Department of Information Technology and

2 Telecommunications oversaw energy issues like it does
3 telecom issues today. Generally PUMP is supportive
4 Counsel of Bill Number 372 and believes that such an
5 office could ultimately foster better outcomes for
6 struggling residential and small business utility
7 consumers. Utility bills often invoke confusion,
8 stress, or frustration, especially when someone has
9 fallen behind financially. For residential
10 consumers, there are also many entities involved in
11 the process, including the state Department of Public
12 Service for disputes the Human Resources
13 Administration for financial assistance help and the
14 utility itself.

15 The aid of another advocate to help city
16 residents navigate these channels and get the help
17 they need would be a very welcomed addition, PULP
18 would be pleased to work on direct service cases and
19 in rate cases with the advocate. And we also note
20 the office will be in a unique position to draw on
21 its expertise in direct services to spot trends and
22 ultimately advocate for policy changes in rate cases
23 to improve the ratepayer experience.

24 PULP also believes that the reporting
25 requirements under Subdivision C if the bill could be

strengthened. For example, to proposed utility advocate's focus this very broad encompassing the Department of Environmental Protections, oversight of water bills, along with internet, cable and telephone service providers that operate within the city. It would therefore make sense that those entities are also subject to the advocates annual rating report.

The COVID 19 pandemic has taught us how valuable good data is, and while we know how Con Edison and National Grid's customers are doing financially, we are completely in the dark as to how many water internet cable and phone customers are also behind on their bills. To make evidence-based policy lawmakers must know those things. And thus we also urge the Council to consider such during negotiations for new and renewed franchise agreements with cable and internet companies. Finally, we're generally supportive of Resolutions Number 162, 173, and 174. With regard to Resolution Number 172, we suggest that rather than add two additional seats to the Public Service Commission dedicated to New York City's interests that the Council consider requesting that one seat be required to be filled by an infrastructure expert since the infrastructure issues

2 are a huge concern for New York City with its
3 complicated underground environment. If that expert
4 joins the newly created consumer advocate seat on the
5 Public Service Commission that should meet the needs
6 expressed in the Council's Resolution. Thank you
7 again for this opportunity to testify.

8 CHAIRPERSON VELÁZQUEZ: Thank you so much for
9 coming today. I'd like to ask you a series of
10 questions. Which neighborhoods have the highest
11 utility debt?

12 MR. YATES: I'll take that question, and thank
13 you for thank you for asking. We don't have that
14 data available to... As Con Edison spoke before,
15 it's... it is possible for the company to... to what
16 analyze that data, but it is not readily available.
17 And if one were to want to obtain it, it would... it
18 would need to be requested in discovery in a rate
19 case proceeding. And we've had mixed results in
20 being able to obtain that data in the past. So...
21 That's all we know about it so far.

22 CHAIRPERSON VELÁZQUEZ: That's tough, I mean,
23 because that information would definitely help us.
24 But we can go to the next question.

2 Are the current state financial relief programs
3 that residents... that help residents, utility
4 arrears, are residents having difficulty paying their
5 utility bills sufficient to meet the current crisis?

6 MS. WHEELLOCK: I'm happy to take that question.

7 So we're extremely grateful that phase one of the
8 Electric and Gas Relief Program was approved by the
9 Public Service Commission just a few weeks ago. Those
10 funds will be released first to individuals already
11 enrolled in the low income monthly discount program.
12 But the truth is that not everyone who's low income
13 is already enrolled in that program. So the
14 commission in the order did allow people to apply
15 through the end of this year, which is great, because
16 it gives us a chance to keep building up those
17 numbers.

18 For our own projections, which you know, I'm sure
19 Bill will be happy to discuss more about, those
20 people currently enrolled are under what we believe
21 it could be. So there are concerns that not everyone
22 who's currently enrolled captures the full picture of
23 how many people in New York City are, in fact, low
24 income. So that is a concern.

1 But there's also a phase two to this program that
2 looks at everyone else. So not just the low income,
3 but the moderate and higher income individuals.
4 That's going to be taken up from last week until
5 probably about the end of the summer or early
6 September. So during the next few months, we'll be
7 able to better tell, okay, how is phase one going?
8 Are people receiving those funds? How many people
9 can we keep capturing? What's the second phase going
10 to look like? And that will give us the ability to
11 better analyze how these programs are doing, and if
12 we need to advocate for more funding, either in the
13 New York State budget process that will begin again
14 in January, or with the federal government as well,
15 since some of the funds do come from the feds. So
16 it's a work in progress and one that we're happy to
17 keep monitoring.

18 CHAIRPERSON VELÁZQUEZ: Okay, please keep us
19 posted.

20 Based on your expertise, is there anything Con
21 Edison described in either their testimony or in
22 response to Councilmembers Q&A that you disagree
23 with? And if so, can you offer your perspective on
24 that issue?
25

1 MS. WHEELLOCK: So I think... You know, I'd be
2 happy to go first and then I'll leave Ian and Bill if
3 they want to jump in as well. We would also be
4 interested in hearing more about, you know, examples,
5 for instance of what the notice looked like in the
6 customer newsletter. I think that would be very
7 helpful.
8

9 Again, our organization helps people read their
10 bills, we try to help them understand what's going
11 on. The bills can be very complicated. So we would
12 like to see what that newsletter looked like. And
13 also ask Con Edison if they're doing anything now
14 since the summer is upon us. The EIA has warned that
15 summer electric prices are going to increase. What
16 if anything is happening now? We'd also love to see
17 copies of, because communication is key. A lot of
18 senior citizens don't necessarily get text messages
19 or know how to use, you know, Internet search engines
20 and things of that nature. There's a lot of elderly
21 blind and disabled individuals as well that were
22 concerned about. Earlier today, I pulled up Con
23 Edison's website and even just a banner right across
24 the top saying, you know, "Summer, expect higher
25 prices," you know, maybe highlighting again, some of

2 the energy efficiency programs that they do offer
3 through their website, just a little bit more
4 messaging would be extremely helpful.

5 When people call they're probably getting you
6 know, increased volumes and calls. If there's pre-
7 recorded messages that, again, say, "Hey, expect
8 higher prices." You know, once a customer service
9 representative gets on the phone, we'd be happy to
10 talk to you about how to navigate that. I think that
11 would be important. So again, it's just looking at
12 what we have, and how we can just make it stronger
13 knowing that people go and communicate in different
14 ways with the company. So that's... that's where
15 I'll stop as far as with communication. I don't know
16 if Bill Gates or Ian Donaldson have anything they
17 want to add.

18 MR. DONALDSON: I don't. Thank you, though.

19 CHAIRPERSON VELÁZQUEZ: Ian, do you have anything
20 to share? Or William? On the Question?

21 MR. YATES: Ian, did you have a question?

22 MR. DONALDSON: Oh, no, I was just saying I don't
23 have anything to add. Thank you.

24 MR. YATES: I guess the only thing that that I
25 would like to follow up on, not necessarily disagree

2 with Con Edison about, is that I am not... I'm not
3 clear that the hedging program that the company has
4 in place "worked" is the way I think I heard Con
5 Edison describe it in January and February, after
6 considering the passage through of the hedge benefits
7 to customers in, I guess it was February. I think
8 there could be some... some more transparency on how
9 the hedging program works, how much of Con Edison's
10 supply cost is hedged? And at what price is the
11 hedge designed to protect customers? So in other
12 words, if... if Con Edison, you know, anticipated
13 that the prices were going to be going to have been
14 10% higher in January? Did they hedge at prices
15 above that 10%, so the customers didn't experience
16 anything more? Or did they... You know... Did
17 they... How much of the volume of the electricity
18 they were going to supply did they hedge?

19 You know, I think customers experienced bill
20 shock. You know, and I'm not convinced that... that
21 what was passed through as a hedge benefit, after the
22 fact, sufficiently offset the... the surge in... in
23 prices that... that were, you know... that did take
24 place in January and February. So that would be my
25 only, you know, potential area. I guess I would call

2 it a clarification and perhaps, you know, better
3 explanations of... of how that worked, and if it did
4 work.

5 CHAIRPERSON VELÁZQUEZ: Ian, do you have anything
6 you'd like to add? Or with regards to the... the...
7 testimony given by Con Ed?

8 MR. DONALDSON: No. Not at this time. Thank
9 you.

10 CHAIRPERSON VELÁZQUEZ: Okay. And a question for
11 all three of you. Do you have any recommendations
12 that the City Council or the City Administration
13 should be taking to help alleviate the burden city
14 residents are experiencing in paying their utility
15 bills?

16 MS. WHEELLOCK: So I'm happy to go first, and then
17 again, if William or Ian would like to go. Honestly,
18 communicating with people is so important. And there
19 is, again, some existing programs that are out there,
20 but there's new programs, and it gets very confusing.
21 We've had a very good working relationship with HRA,
22 we thank everyone for helping with ERAP, and all the
23 programs that are available to people when it comes
24 to utility arrears, but again it is a very complex
25 area. And so increasing communication, helping

2 spread the word about these programs, offering
3 opportunities for people to, you know, work on
4 applications with direct assistance, I think would be
5 really important. And one thing that, you know,
6 we're hopeful for is, in particular, the HEAP
7 application... the Home Energy Assistance Program
8 application, at least for this heating season is only
9 allowed to be printed, you have to turn in a printed
10 application either by mail or drop off location. So
11 if somehow that application could be also allowed
12 online and through the portal... the access HRA
13 portal, just like SNAP benefits. I think that would
14 be tremendously helpful for a lot of New Yorkers. So
15 that's one thing I just wanted to flag. Bill or Ian,
16 do you have anything you want to add?

17 MR. YATES: Ian, do you have anything?

18 MR. DONALDSON: Yeah, I will add something.

19 I'll, number one, just reiterate that communication
20 is absolutely key, and especially when it comes to
21 rising utility prices. These are things that are
22 generally... they generally are forecasted months in
23 advance at the base level. For example, the Energy
24 Information Agency, at the federal level back in
25 October of 2021, told us these rates... that rates

2 were going to increase into the winter months. So I
3 think this is a job for PULP, but also for the
4 Council as well to kind of monitor that. And if you
5 see something, to help us communicate that to your
6 constituents, just because we've learned that we can
7 always rely on the utilities to do that as well.

8 MR. YATES: And I think... I have one specific
9 area that I think would... it would be helpful for
10 the city to engage in with Con Edison and advocates
11 in the community, and that is in the... with respect
12 to the energy affordability program that Con Edison
13 administers: As, as Con Edison indicated, there were
14 there were some changes made to the statewide
15 framework for administering these programs back in
16 August that expanded the amount of funding available
17 for discounts to low income customers, and also
18 initiated a process of self-certification for
19 enrollment in this... in the in the programs. So...
20 And Laurie had earlier indicated that, you know, the
21 the... the current level of participation in the
22 affordability programs does not represent the... the
23 entirety of the eligible households in the Con Edison
24 service area. In my testimony, I estimated that the
25 current enrollment, which Kerri Kirschbaum had

2 indicated was about 450,000 households really
3 represented only about 50% of the total number of
4 eligible customers in... in the Con Edison service
5 area.

6 With this self-certification program that has
7 been authorized by the Public Service Commission,
8 customers who do not get automatically enrolled by
9 virtue of receiving a benefit through HRA of one sort
10 or another, can... can self-certify, but they need to
11 know about this ability to self-certify in order to
12 do so. So it would be a natural activity for the
13 city to engage in, liaison with... with Con Edison
14 and with the community to... all the advocate
15 community to determine how that awareness can be
16 maximized so that the level of participation in the
17 energy affordability program can rise significantly
18 to be more representative of the total number of
19 households that are actually eligible. And I think
20 that's... that should be a focus of very great energy
21 because of the fact that we do have, as I described,
22 these excess energy burdens amongst low income
23 customers. We have rate increases that are being
24 proposed that are quite sizable. And we do have this
25 prospect of continued and very acute rate shocks to

2 come. So I highly recommend that that be a priority
3 for the Council.

4 MS. WHEELLOCK: Just to piggyback off of that for
5 one second. Obviously, you know, to end this
6 question is the rate case. And as ConEdison
7 mentioned, you know, the public record is still open,
8 so we encourage all the members, you know, your
9 constituents to submit Con Ed's into the rate case
10 about things they would like to see, their concerns
11 about the significant rate increase. Those comments
12 are read, and it's extremely important to have the
13 broadest, you know, record that we can have and that
14 we'd be happy to share that information with the
15 Council and how people can submit comments into the
16 rate case.

17 CHAIRPERSON VELÁZQUEZ: Thank you, and thank you
18 for your testimony.

19 MODERATOR MEIXLER: Thank you. Thank you. Next
20 call on James O'Neill testify. After James O'Neal, I
21 will call on Adira Siman, and then Crystal Butler.
22 James, you can begin.

23 SERGEANT AT ARMS: Time starts now.

24 PRESIDENT O'NEAL: Good afternoon Chair Velázquez
25 and members of the Committee on Consumer and Worker

2 Protection. My name is James O'Neal, and I am the
3 Volunteer State President of AARP New York, which
4 represents about 750,000 members in New York City. I
5 appreciate the opportunity to testify before today.
6 Pocketbook issues present present and greatest
7 challenges for older adults, and not just because
8 many of us are on fixed income. For those of us who
9 want to work, we've had a harder time getting back
10 into the workforce post-pandemic than younger people.
11 Now, because of inflation, paying the bills is an
12 even harder task than before. A big bill for many
13 older individuals is a utility bill. Not
14 surprisingly, there's a utility arrears crisis in New
15 York, and has ensnared more than 1.2 million
16 households, leaving them owing more than \$1.7 billion
17 in utility debt, and hundreds of millions of dollars
18 in telephone, water, and broadband utility arrears.

19 Looking just at the gas and electricity customers
20 in the Con Ed service territory, and national grid
21 gas customers in Brooklyn, well over half a million
22 residential customers are currently behind on their
23 utility bills by 60 days or more. New York's utility
24 arrears crisis is dire. The debt will impair credit,
25 require New Yorkers to choose between medicine, food

2 and utility arrears spending, and reduce economic
3 activity that is essential to the city's recovery.

4 This crisis is only being made worse by recent
5 spikes in the cost of energy. And right now Con
6 Edison is asking the Public Service Commission for a
7 double digit rate hike on gas and electricity. New
8 Yorkers 50-Plus deserve better and I'm here to offer
9 support for a series of City Council bills and
10 Resolutions that will help address this crisis. It's
11 what our members and other older adults want.

12 On their behalf, I'm here to support Speaker
13 Adams proposed amendment to the New York City Charter
14 in relation to creation of an Office of Utility
15 Advocate within the Department of Consumer and Worker
16 Protection. Councilmember Ung's resolution calling
17 upon the Governor and New York State Legislature to
18 expand financial relief programs to assist city
19 residents struggling to pay their utility bills, and
20 Councilmember Velázquez's resolution calling upon
21 Consolidated Edison to improve communication with
22 city residents about increased utility costs.

23 I thank you all the members of the City Council
24 working on behalf of these and other solutions to
25 bring relief to utility customers here in New York,

2 struggling with ever increasing utility bills, and I
3 thank you for allowing me to testify today.

4 MODERATOR MEIXLER: Thank you. We will next call
5 on Adira Siman to testify. After Adira, I will call
6 on Crystal Butler, then Briana Carbajal. Adira, you
7 may begin.

8 SERGEANT AT ARMS: Time starts now.

9 MS. SIMAN: Thank you to the committee for the
10 opportunity to testify on Intro 372 which would
11 create an Office of the Utility Advocate within the
12 New York City Department of Consumer and Worker
13 Protection.

14 The Partnership for New York City represents
15 private sector employers of more than 1 million New
16 Yorkers. We work together with government, labor,
17 and the nonprofit sector to maintain the city's
18 position as the preeminent global center of commerce,
19 innovation, and economic opportunity.

20 We oppose the proposal to create a city office to
21 address utility customer complaints and provide
22 education and advocacy on utility issues. In the
23 past decade, city government has grown by more than
24 10% and its attendant costs by more than 30%, often
25 as a result of bills that create new offices or

2 programs. Rather than adjusting priorities and
3 functions of existing agencies. We are heading into
4 uncertain economic times when tax revenues are likely
5 to be insufficient to support essential city
6 services.

7 There are alternative mechanisms in place for
8 consumers to resolve complaints with utilities and
9 learn about services and programs. The New York
10 State Department of Public Service which oversees
11 utilities maintains a consumer hotline where a
12 complaint can be filed. DPS also hosts a website to
13 provide consumers with education and information
14 about utility services and assistance programs. Many
15 utilities direct consumers to those DPS resources.
16 Every utility has a consistent customer service
17 hotline as well as online resources, and additional
18 resources exist for certain types of utilities. For
19 example, consumers can submit complaints about cable
20 television franchisees to 311, and the New York City
21 Department of Information Technology and
22 Telecommunications. The city could expand 311's
23 ability to report complaints about other types of
24 utilities.

2 The new city office would require funding for
3 staff and overhead. The average cost of a city
4 employee is more than \$144,000 in fiscal year 2021.
5 The taxpayers cannot afford a new office to solve
6 every problem. We urge the City Council not to move
7 forward with Intro 372. Thank you.

8 MODERATOR MEIXLER: Thank you. I will next be
9 calling on Crystal Butler to testify. After Crystal
10 Butler, we will move to Briana Carbajal, and then
11 Frederic Goldner. Crystal, you may begin.

12 SERGEANT AT ARMS: Time starts now.

13 MODERATOR MEIXLER: Crystal, you're on mute.
14 I'll be sending you an unmute request right now.

15 MS. BUTLER: Can you hear me?

16 MODERATOR MEIXLER: Yes, you may begin. Crystal,
17 it seems like you're muted. I just sent over an
18 unmute request.

19 MS. BUTLER: Okay, I'm unmuted now?

20 MODERATOR MEIXLER: Yes, we can hear you.

21 MS. BUTLER: Wonderful. So thank you so much for
22 this opportunity from the City Council. My name is
23 Crystal Butler, from Morris Heights section of the
24 Bronx. And I'm testifying on behalf of my 73-year-
25 old mother, Della Hawkins. Before COVID, she had a

2 \$14,000 electricity bill. She had to endure numerous
3 cut offs, she had to choose between full rent,
4 medicine, in order to pay Con Edison. Fortunately,
5 she was at some point under the protective services
6 of Adult Protective Services, which they stepped in
7 to... when they shut off her service, they did turn
8 it back on, but they never investigated how she could
9 have such a high bill when she's a resident in an
10 apartment building and not a business owner.

11 She's gone now. But they just sent a \$17,000
12 bill. And I'm saying no to Con Ed's proposed rate
13 hike. I would like to thank WE ACT, the
14 environmental justice agency, for spreading the word
15 about this public forum, and I get to be a voice for
16 my mom and other residents and New Yorkers that are
17 experiencing these hardships. And I'm... I'm also in
18 support of the elected officials proposals to
19 alleviate some of the stresses of this rate hike, and
20 I also would like to thank WE ACT for Environmental
21 Justice agency for spreading the word about this
22 public hearing and allowing me to have a voice... to
23 have my voice heard. And thank you so much.

24 MODERATOR MEIXLER: Thank you Crystal. Next, I
25 will be calling on Briana Carbajal to testify. After

2 Brianna, I will be calling on Frederic Goldner, and
3 then Anthony Rogers Wright. Brianna, you may begin.

4 SERGEANT AT ARMS: Time starts now.

5 MS. CARBAJAL: Good afternoon committee Chair
6 Velázquez and members of the Committee on Consumer
7 and Worker Protection. I'm Brianna Carbajal, the
8 State Legislative Manager at WE ACT for Environmental
9 Justice, a 33-year-old community based organization
10 founded in West Harlem. Our mission is to build
11 healthy communities by ensuring that people of color
12 and or low-income residents participate meaningfully
13 in the creation of sound and fair environmental
14 health and protection policies and practices.
15 Investor-owned utilities like Con Ed exacerbate
16 climate change and economic and racial injustice as
17 they continue to put profit over people. Low-income
18 and fixed-income New Yorkers will face extremely hot
19 apartments this summer if Con Ed prices increase.
20 The heat vulnerability index shows neighborhoods
21 whose residents are more at risk for dying during and
22 immediately following extreme heat. Three out of
23 four northern Manhattan neighborhoods scored a five,
24 meaning they're at the highest risk. It Con Ed
25 raises prices, more people will not be able to afford

2 to run their air conditioners if they even have
3 access to one. Extreme heat is already the number
4 one weather-related killer in New York City.

5 WE ACT supports Intro 372, which would create an
6 Office of the Utility Advocate. We believe the
7 creation of his office is essential for the economic
8 health and well-being of New Yorkers. Because New
9 York City in Westchester customers in arrears owe an
10 average of \$2,247 per household to Con Ed as of April
11 2022, and Con Ed's ongoing rate case seeks and
12 historically unprecedented \$1.7 billion in increased
13 charges and delivery rates this year.

14 However, WE ACT believes equity improvements can
15 be made to Intro 372, such as the office offers a lot
16 of potential for assisting people in arrears through
17 a variety of avenues, but it will only be effective
18 if there is an adequate number of staff and funding
19 dedicated to this office to help the hundreds of
20 1000s of New Yorkers and utility debt. Robust
21 language services also need to be offered to utility
22 customers seeking assistance from the utility
23 advocate office. Migrants make up majority of
24 workers in unstable low-wage labor markets. Thus
25 they are more at risk of falling behind on their

2 bills. protecting the health of both people and the
3 planet requires that we stop using fossil fuels and
4 shift to an affordable, democratically controlled
5 renewable energy system as quickly as possible. We
6 need an Office of the Utility Advocate that is
7 effective, efficient, and has enough capacity to
8 properly advocate on behalf of all New Yorkers to
9 help them get out from under the thumb of crushing
10 debt caused by profit seeking IOUs. We will submit
11 more detailed written testimony. Thank you for the
12 opportunity to speak today and thank you, Crystal.

13 MODERATOR MEIXLER: Thank you. I will next be
14 calling on Frederic Goldner to testify. After
15 Frederic Goldner, I will be calling on Anthony Rogers
16 Wright. Frederick You may begin.

17 SERGEANT AT ARMS: Time starts now.

18 MR. GOLDNER: Good afternoon. The Association of
19 Energy Engineers is a 45-year-old professional
20 organization whose membership is comprised of energy
21 engineers, managers, renewable and alternative energy
22 designers and engineers, alternative power generation
23 professionals, energy service professionals, and
24 sustainability professionals. As a growing
25 Association, AEE's overall strength is augmented by

2 its strong membership base of over 15,000
3 professionals in some 84 countries, and it's widely
4 recognized energy certification and training
5 programs. It's now working with 72 local chapters in
6 the U.S. and throughout the world that meet regularly
7 to discuss issues of regional importance. We are
8 here representing the New York chapter which
9 represents over 500 members.

10 We are here to provide testimony to support
11 continued funding on energy efficiency in the Con Ed
12 rate cases. Our members and their New York City
13 Clients use this incentive funding to install energy
14 efficiency technologies in the multifamily commercial
15 and institutional sectors. NY AEE, the New York
16 chapter, supports the keeping of all energy
17 efficiency programs that are funded by Con Edison
18 ratepayers. We work with Con Ed and NYSERDA in
19 advancing its energy efficiency throughout the five
20 boroughs. The hundreds of millions of dollars that
21 are collected annually for the clean energy and
22 energy efficiency programs are worthwhile
23 investments. We urge the City Council to become
24 familiar with the new Con Edison Electric and Gas
25 rate case, and the system's benefit charge as well as

2 the clean energy fund programs. NY AEE agrees that
3 continuing each energy efficiency program will assist
4 the city and the state in meeting its clean energy
5 goals, and that funding requests should be provided
6 as soon as practicable so that existing program
7 momentum continues, meeting New York City's energy
8 goals, including the emission reductions codified in
9 the Greener Greater Building Plan imply a much higher
10 level of energy efficiencies for them was previously
11 provided.

12 Lastly, as I sat here today, listening to the
13 conversation, I am struck by the focus on the burden
14 of high consumer cost. Understandably, a very, very
15 important issue. However, I need to point out that
16 the Council needs to understand that LL-97, whose
17 goals AEE applauds and supports, and on the other
18 hand, the silver-bullet tactic, or push for
19 electrification, to address environmental issues will
20 exaggerate utility bills, not to the high levels
21 being discussed here today, but literally through or
22 figuratively through the stratosphere. In that
23 regard, we implore the Council to consider the use of
24 alternative or additional solutions as pieces of

2 meeting New York City's future energy needs in an
3 environmentally sound manner.

4 SERGEANT AT ARMS: Time expired.

5 MR. GOLDNER: Specifically, insisting energy
6 efficiency practices be employed immediately, and
7 supporting the decarbonisation of the gas
8 distribution system. Here, I am talking about
9 renewable natural gas and preparing for hydrogen
10 fuel. I'd be happy to expound on this in much
11 greater detail, but we'll stop here and respect for
12 the time in today's hearing. Thank you for your
13 consideration. And please feel free to call on us.
14 We are the people with dirt under our fingernails.
15 And actually who people make a real difference in
16 real buildings. Thank you.

17 MODERATOR MEIXLER: Thank you. I will next call
18 on Anthony Rogers Wright. Anthony?

19 SERGEANT AT ARMS: Time starts now.

20 MR. ROGERS-WRIGHT: Thank you so much. And thank
21 you, Chairwoman Velázquez for this hearing. My name
22 is Anthony _____ Rogers Wright. I currently serve as
23 the Director of Environmental Justice with New York
24 Lawyers for the Public Interest. For 45 years, we as
25 a civil rights organization, have been fighting for

2 equal justice for all New Yorkers, especially in the
3 realms of environmental justice.

4 We'd like to take the opportunity today in the
5 time we have allotted to talk about some of the
6 recommendations and resolutions that have been made
7 by the City Council, beginning with Intro 0372. New
8 York Lawyers for the Public Interest does applaud
9 this step. However, we do think that it can go
10 further. We believe that the Utility Advocate should
11 first and foremost prepare and present a map of the
12 city identifying communities experiencing the highest
13 energy burden, such that proactive measures can be
14 implemented to assist these residents immediately.

15 Furthermore, we believe that similar to the
16 public advocate, the local law should be amended to
17 establish direct coordination between the utility
18 advocate, public advocate, and Attorney General's
19 Office such that the utility advocate can speak on
20 behalf of people and file lawsuits when necessary.

21 Moving on to Resolution 0162 by Councilmember
22 Lee, a resolution calling on the state legislature to
23 reduce the amount of money... excuse me, the
24 percentage that a rate case can go up in a given
25 year, we also applaud this. At a time when we know

2 that prices for energy are going to impact black,
3 brown, and poor New Yorkers, black, brown and poor
4 women-identifying New Yorkers even more, the time has
5 come to make sure that we have safeguards and
6 guardrails when people are going to need to cool and
7 heat their homes as the climate crisis continues to
8 exacerbate weather events. Furthermore, pertaining
9 to Resolution 0172 by Councilmember Salamanca, we
10 applaud the other Councilmembers associated with this
11 Resolution for lifting up a very salient issue that
12 has massive impacts on poor and working class
13 families in their everyday lives, especially the 25%
14 of New York City households experiencing high energy
15 burden from the 15% of New York City households
16 experiencing severe energy burden. Too often, the
17 Public Service Commission tends to benefit private
18 entities, specifically big polluters like national
19 grid and other fossil fuel cartels more than the
20 people of New York. Moreover, leaving the selection
21 of the PSC to the governor and the mayor solely does
22 not allow for an equitable geographic distribution of
23 commissioners who best represents the city of New
24 York and other parts of the state as well as what and
25 opens up the door for increased cronyism and other

2 forms of political malfeasance. Rate hikes are
3 becoming too frequent and too expensive for the
4 residents of New Yorkers who use less energy than
5 wealthier whiter residents who generate a
6 disproportionate share of the pollution that
7 disproportionately impact disadvantaged communities
8 and other environmental justice communities.

9 Therefore, we implore the City Council to view
10 this as an environmental justice issue, because,
11 absolutely, we have the data that demonstrates a
12 disproportionate impact to New York's black brown and
13 poor communities.

14 SERGEANT AT ARMS: Time expired.

15 MR. ROGERS-WRIGHT: Thank you so much. I'll be
16 submitting written comments.

17 CHAIRPERSON VELÁZQUEZ: Thank you, everyone, for
18 showing up to today's hearing. And with that, we
19 conclude.

20 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date August 24, 2022