

Environmental

Advocates

NY

EANY SUPPORTS

Energy Credit Donation



Memo #56

[A.7703 \(McMahon\)](#)

[S.6919 \(Kennedy\)](#)

Explanation:

This legislation creates a low-income energy assistance credit program that will allow customers who generate more on-site electricity than the use in a billing period to donate their excess energy credits to low-income customers. This will provide relief to low-income customers and help to protect them from fluctuations in energy prices.

Currently the Public Service Law allows customers who generate energy onsite to receive a credit on their future energy bill if they generate more energy during the billing period than they used. This bill would allow those customers to donate their credits to the low-income energy assistance pool rather than receive the credit on their next bill. The electric utilities would be directed to create a low-income energy credit pool for their service territory, and the Public Service Commission would develop qualifications specific to each service territory for low-income customers who seek to apply for this program and develop a mechanism or directing the donated credits appropriately to the recipients.

A low-income energy credit program would be beneficial for households that cannot otherwise shield themselves from fluctuating energy costs with behind the meter renewable electricity. As climate change continues to result in more extreme temperatures and increases the frequency of extreme weather events, electricity demand and costs may increase. When this occurs, low-income households are particularly vulnerable as [energy costs](#) can be a significant proportion of their monthly expenses. By allowing low-income customers to apply for donated energy credits, they will receive some relief from energy prices even as they fluctuate.

Summary:

This legislation amends the Public Service Law to establish a low-income energy assistance pool by which customers who generate their own electricity during the billing cycle that is in excess of what they use can donate their energy credits to low-income customers rather than receiving a credit for their next bill. This program requires each electric corporation to create such a program with approval of the Public Service Commission, and the Commission shall establish criteria to determine which low-income households would receive the credit and establish a process for directing credits to qualifying households. The criteria for receiving a low-income energy credit would be specific to each service territory and many include considerations such as age of household occupants, household size, disability income, heating/cooling source and other adverse circumstances. This bill would take effect immediately and the program would be operational within 180 days.