



News Release

August 2020

For release: By Request Only
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Central Hudson Supports Communities and Customers, Proposes New Rate Plan

Central Hudson Gas & Electric Corp. is working with New York State regulators and independent parties to establish a new rate plan, to become effective following the June 30, 2021 expiration of the utility's current plan. A new plan is required to provide a path for utility operations and to continue critical investments to modernize and enhance the region's energy infrastructure, meet New York State's nation leading environmental goals and enable new technologies to improve customer service.

"This new rate plan is necessary as we plan ahead for the future," said Charles A. Freni, President and C.E.O. of Central Hudson. "We know that many of our customers and the communities we serve are facing financial stress. Our goal with this rate plan is to balance the financial needs of our region as the pandemic evolves and the economy begins to recover while modernizing the energy system to meet the present and future needs of our customers and communities." He said the plan calls for an expansion in customer assistance programs and funding for expanded energy efficiency programs that help residents and businesses manage their energy use, lower their carbon footprint and protect the environment. "Under the current economic conditions, we are reducing expenses and postponing certain projects to moderate the new rate plan," he said.

The proposed plan also includes investments to strengthen electric infrastructure against severe weather; deploying new technologies to improve electric system efficiencies and to expand the interconnection of renewable resources to protect the environment; system upgrades to enhance customer service; broadening assistance programs for families in need; modernizing the natural gas distribution system; and addressing aging infrastructure to ensure safe and reliable energy

delivery systems for the benefit and protection of our customers. “We want to *Empower What’s Next* for our region’s families, economy, community and environment,” said Freni.

For our homes and families: Expanded energy efficiency programs, including clean heat incentives for the installation of heat pumps and other energy-saving technologies; expanding eligibility for income-qualified families to enable additional enrollment in Central Hudson’s special assistance programs, such as bill discounts; an initiative to extend energy efficiency programs to income-qualified households; and improving the way customers can interact with Central Hudson so they can more easily manage their accounts, energy use and enroll in programs that meet their individual needs.

For our businesses and the economy: Energy efficiency programs for businesses, including a wide array of standard and customized efficiency solutions for our non-residential customers, such as incentives of up to 85% of the cost to convert to LED lighting; continuation and expansion of Central Hudson’s Economic Development programs to include four new grant initiatives focused on attracting manufacturing operations to the region.

For our environment: Critical investments in grid modernization, as updating the electric system with the latest technologies allows for greater interconnection of distributed energy resources like solar, battery storage and wind; Clean Heat Programs supporting heat pump technologies to offer efficient heating and cooling for residences and businesses, resulting in significant emissions savings as compared to heating with oil and propane; and incentives to reduce the cost of installing more than 3,200 electric vehicle chargers by 2025 by working with businesses and municipalities to help meet their electric vehicle fleet charging needs and with developers to install charging stations for the public with commercial and fast charger installations.

For our communities: Central Hudson is investing in new technologies that improve the durability and reliability of the grid, including systems that identify and restore power outages more quickly, all while allowing for the growth of renewable energy and improving the efficiency of the electric system; a continued focus on vegetation management and tree trimming to help mitigate the primary cause of electric service interruptions; replacing aging electric and natural gas infrastructure in order to continue to provide a safe, efficient and more reliable electric and gas delivery system during all weather conditions including major storms; and providing an energy efficiency credit to municipalities when changing from conventional to LED streetlights.

Community support during pandemic

“The COVID-19 pandemic and economic impacts requires households, businesses and governments to make changes that allow for the continuation of essential services as the health and finances of our communities recover,” said Freni. “While we recognize that safe and reliable electric and natural gas service is critical during this time, equally important is supporting the communities we serve. We have implemented programs and funding that will help provide some

measure of relief, particularly for the most vulnerable households and our region's small businesses.”

Freni explained that from the onset of the “New York State on Pause” executive order, Central Hudson has suspended service disconnections for non-payment of utility bills and waived finance charges for families affected by COVID-19. The utility made contributions totaling \$100,000 to local community support agencies including: Ulster County Project Resiliency, Orange & Sullivan COVID-19 Response Fund, Dutchess Responds, Hudson Valley Food Bank and the Hudson Valley Additive Manufacturing Center at SUNY New Paltz, for the production of face shields for medical personnel in our community.

In addition to these grants, Central Hudson and its employees have implemented several initiatives in support of its customers and the region:

- Central Hudson launched its ***Back to Business*** funding program, committing up to \$1 million in economic development support to provide local small businesses with grants to help pay down new working capital loans taken with participating local banks. This program is intended to assist small businesses in continuing their operations or reopening as the economy restarts.
- Central Hudson representatives are calling its most vulnerable customers to check-in on and connect them to organizations and assistance programs according to their needs.
- Central Hudson has doubled its contribution to the Good Neighbor Fund this year, pledging a total of \$100,000 in corporate matching gifts to support this last resort grant program towards the utility bills of families in need.
- The utility assisted income-qualified customers in obtaining funding towards their utility bills through the extended Home Energy Assistance Program.
- Central Hudson employees donated food and non-perishable items to local nonprofit organizations helping to feed families in need during the COVID-19 pandemic.

Central Hudson in the Community

Central Hudson's commitment to the communities it serves extends beyond the current health crisis. The utility's operations contribute more than \$1 billion in economic output to the Mid-Hudson Valley region annually, according to a 2016 study by CGR, an independent, non-profit management consulting organization. Since 2004, the utility's economic development program has contributed to the creation and retention of more than 3,000 jobs, working with more than 50 organizations by providing \$15.1 million in grants in support of business relocations and expansions in the Mid-Hudson Valley.

“Central Hudson will continue to contribute to our local economy in support of the communities we serve,” said Freni.

Proposed plan

If approved as proposed, the one-year plan would set new delivery rates for electric and natural gas service to begin on July 1, 2021. The proposed plan will be reviewed and decided upon by the Public Service Commission with participation by interested parties and public comment; the Commission may approve, modify or reject any or all of the proposed terms. As part of the filing, Central Hudson is proposing the use of several existing regulatory balances to offset the billing impact for customers during the term of the agreement. In developing the rate plan proposal, Central Hudson reduced expenses and postponed \$99 million in projects through 2022, to allow the local economy sufficient time to recover following the COVID-19 pandemic.

Based upon delivery rates in effect at the end of this year, the new delivery rates, if approved as proposed, would increase average monthly residential electric bills by about \$3.50 per month, or 2.8 percent. The increase for an average monthly residential natural gas heating customer's bill would be about \$3.30 per month, or 2.8 percent.

The rate plan applies exclusively to delivery charges, which are regulated. Other bill components include market-based supply charges, taxes and state-mandated surcharges. "Under state law we are required to file a one-year plan, however we are open to discussions with regulators and parties that could spread costs over three years to reduce the immediate effect," said Freni.

"These are challenging times for everyone, and we remain dedicated in serving our customers and local communities," said Freni. "The investments we propose to make will enable the transition to a cleaner, more-efficient and more-responsive energy system. We are deeply committed to the communities we serve, and we have filed this plan to ensure that we can fulfill the energy demands of tomorrow while balancing the needs of today."

For more information about the proposed plan, visit www.CentralHudson.com/EmpoweringWhatsNext. For more information on how Central Hudson is addressing the COVID-19 pandemic, visit www.CentralHudson.com.

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